

**TOWN OF OXFORD  
GENERAL ADMINISTRATION**

**Subject: Tax & Water Collection Policy**

**Number: 20230925-2**

**Approved by: Council**

**Effective Date: September 25, 2023**

**Revision Date: November 27, 2024**

Minutes reference date: November 27, 2024

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## **PURPOSE**

To establish a policy for effective and efficient billing and collection of Revenue including tax and water accounts receivable. The purpose of the policy is to:

1. Outline billing dates as required by the *Municipal Government Act* (MGA);
2. Ensure municipal tax and water revenues are collected in a timely and effective manner;
3. Ensure that all taxpayers and water customers are treated fairly and equitably; and,
4. Provide staff with equitable guidelines for informed, sustainable decision-making, and legal guidelines to staff and public, consistent with the Town's organizational values of excellence and fiscal responsibility ensuring all taxpayers are served well and fairly.

## **TERMS**

1. "Immediate Family" - means spouse, children, parents and siblings.
2. "Lien" - means charges that are or can be attached to and encumber the title to a property and can result in the property being sold so the Town of Oxford can collect the money it is owed. These charges can arise pursuant to legislation (e.g., the Municipal Government Act).

## **SCOPE**

All employees involved in the collection process must adhere to the policy statements contained within this document.

All water, tax levies and amounts added as tax liens are subject to these policy statements.

The Municipal Government Act legislates the billing and collection of taxes and is the primary authority on the tax billing and collection function, including but not limited to the tax sale process.

The approved Utility and Review Board of Nova Scotia water utility Rules & Regulations and Schedule of Rates and Charges are the primary authority on the water billing and collection function.

## **POLICY**

### **TAX ACCOUNTS**

1. The Town will issue an interim tax bill with a due date of June 1 each year. The bill will be calculated at 50% of the prior year's bills with the discretion of the CAO to adjust any tax accounts where the variance between the prior year and current year assessment is substantial.
2. Sewer charges will be determined by Council through separate bylaw and/or policy and the full amount for the year will be included on the interim tax bill.
3. The final tax bill will be due on September 30 each year.

## **INTEREST**

4. Interest will be calculated and accrued monthly, on arrears, starting immediately after the due date on all taxes/rates/liens outstanding. The rate of interest charged will be 1.5% per month compounded annually (18%/year).
5. Interest is not paid on credit balance in tax accounts except if the credit has resulted from payment of taxes on account that has been appealed (assessment) and the resulting tax amount is less than the original tax billing (determined after the final bill). Interest will be paid to the taxpayer on the overpayment at a rate of 1.5% per month.

## **TAX COLLECTION – GENERAL PRACTICES**

6. Provisions of the Municipal Government Act (MGA) Section 6 deal with Tax Collection and provide the legislative framework within which the Staff are expected to carry out tax collection. This policy is intended to provide more specific guidance in certain circumstances but is not intended to allow Staff actions contrary to the Act or to limit the authority given to Staff under the Act.
7. Staff will make all reasonable effort to collect taxes due to the Town. This includes reasonable effort to locate taxpayers whose whereabouts are not readily known. A number of procedures common to the collection industry may be used including the use of outside agencies as outlined in administrative policies or procedures approved by the CAO.
8. The MGA provides that every person liable to pay taxes shall be served with a tax bill, to be mailed to the address shown on the filed roll or to a more current address if known to the Treasurer. Canada Post E-post-delivery has legislated authority to deliver electronic mail;

E-post-delivery is deemed by Council to meet the requirements of the MGA should E-post be a service offered to property owners.

9. The Town of Oxford considers it to be the responsibility of the property owner to ensure their address is up to date on the assessment roll and the tax system through contacting Property Valuation Services Corporation. The Town will be deemed to have a more current address if the notification has been received in writing from the taxpayer at least 30 days prior to the invoice date of the tax bill following the notification. Having filled the legal requirement to bill as noted above, the Town considers it to be the taxpayer's responsibility to contact the Town to determine amounts owing for taxes if they have not received their bill.
  
10. The Town accepts no responsibility to notify new property owners of arrears against properties they buy after the filing of the annual assessment roll except for the usual tax billing process. It is the responsibility of the purchaser and their solicitor to ensure that taxes for the year of purchase are paid. The Town will make every effort possible, within the staff resources available, to change ownership information on properties as it becomes available from the Property Valuation Services Corporation but will not accept responsibility for interest that may accrue on tax arrears that remain unpaid as a result of a change of ownership.

## **PAYMENT ARRANGEMENTS**

11. Staff have authority to enter into tax arrears payment arrangements with taxpayers giving due consideration to the taxpayer's personal circumstances and history of the taxpayer to comply with prior tax payment agreements. Staff may make reasonable demands for personal financial information from a taxpayer. No provision in this policy requires a taxpayer to provide such personal information but failure to do so may preclude the

acceptance of a payment arrangement for their arrears. If a tax arrears payment arrangement results in taxes being outstanding for more than six years, the arrangement must be documented in writing to ensure the period of tax lien is extended to cover the property.

## **PROPERTIES IN TAX SALE POSITION**

12. After September 30 of each year, all accounts will be reviewed. Accounts that have current year tax outstanding and part or all of prior year tax outstanding shall be considered to be in tax sale position. The CAO is authorized to adopt administrative guidelines that identify minimum amounts below which the second years' taxes will not trigger the tax sale procedures.
13. Tax Sale properties shall be sent a preliminary notice giving 60 calendar days to pay the account in full. The preliminary notice shall indicate that a title search and/or survey of the property may be commenced at the end of the 60 days without further warning – the cost of which will constitute a lien on the property in question.
14. Once a preliminary notice is issued, staff are still permitted to enter payment arrangements with the taxpayer. Any such arrangement should not normally extend beyond the end of that fiscal year at which time the account must be paid in full.
15. A Notice of Intent to sell for taxes shall be issued after 60 calendar days from the Preliminary Notice, on each property still in tax sale position except if there have been payment arrangements negotiated.
16. Once a property has been issued a Notice of Intention it should not normally be removed from the tax sale process except as a result of

full payment. Staff may determine when circumstances dictate otherwise and remove a property from the list.

17. If payment arrangements as negotiated above are dishonoured, staff will immediately, without notice, begin or continue the formal process of tax sale unless other arrangements satisfactory to Staff can be negotiated.
18. The Town of Oxford will not accept a tender/bid from a tax assessed owner, his/her agent, or his/her immediate family for any sum less than the full amount of taxes, interest and expenses associated with respect to the land.

#### **PROPERTIES NOT IN TAX SALE POSITION**

19. For properties not in tax sale position, reminders will be issued to individual assessed owners. The number and timing of reminders will be determined by staff, taking into consideration the perceived beneficial financial impact. In any given year there will generally be 2-3 reminders sent to accounts with arrears over a predetermined limit. **See schedule A.**

#### **COLLECTION PROCEDURES INVOLVING ISSUANCE OF WARRANTS**

20. The CAO is authorized to adopt administrative guidelines with respect to the issuance of warrants to collect taxes due. **See schedules A and B**
21. If services of outside agencies are used, staff are authorized to pay the fee charged by that agency for execution of the warrant. If a staff member executes the warrant, they will be compensated in accordance with municipal policy if the work is conducted outside of normal office hours. Such fees and expenses associated with the issuance of a warrant shall be added to the account to be collected pursuant to the warrant.

## TAX ACCOUNT ADJUSTMENTS/WRITE OFFS

22. The CAO may approve administrative policies governing the write-off or adjustment of taxpayer's accounts. In general, staff have authority to write off accounts in the following circumstances:
- a. Where notice is received from PVSC that an error has been made in the filed roll which cannot be corrected by any provision of the Assessment Legislation (e.g. Duplicate Assessment, Deleted Accounts).
  - b. Where there has been an error made by Municipal staff or in other circumstances deemed appropriate, the Treasurer may approve the write-off of interest on an account.
  - c. Where the internal and external cost to pursue collection of an account would reasonably be expected to exceed the amount to be successfully collected.
  - d. Where a taxpayer has been discharged from their liabilities under bankruptcy.
  - e. Where the taxpayer cannot be located, despite reasonable efforts to do so.

## COLLECTIONS COSTS

23. The CAO is authorized to approve certain fees and procedures associated with tax collection on a cost recovery basis such as, but not limited to, fees for cheques/preauthorized debit not able to be processed by a bank.
24. The CAO shall approve increases to the fee(s) no more frequently than annually (fiscal year of April 1 – March 31). No annual increase can exceed CPI as measured by the twelve-month average index for the prior twelve months ended December. Increases may be cumulative when implement in year 2 or later.

## PROPERTY TAX DEFERRAL

25. Section 70 of the MGA allows Council to adopt a bylaw which would provide for the postponement of tax payment. Council has determined that it will not enact a bylaw under the provisions of this section with the understanding that staff are authorized to negotiate payment arrangements that are reflective of the taxpayer's ability to pay at any given time and that staff are best able to determine what this regular amount should be. The MGA provides that tax sale can be avoided by having a tax payment arrangement that is being honoured. All taxpayers should be encouraged to make some amount of regular payment on their taxes, however nominal, such that a deferral program is not considered necessary.

## **Water Account**

### **GENERAL PROVISIONS**

26. The Town is government by regulations in effect for its water utility that have been approved by the Nova Scotia Utility Review Board.

### **ARREARS COLLECTION**

27. Staff are responsible and authorized to negotiate and accept reasonable payment arrangements with customers who are in arrears. The circumstances of the individual customer will be considered in these negotiations.

28. All water accounts will be reviewed at the due date and those with arrears of \$30 and over will be sent a reminder notice. The reminder will allow a ten-day period in which the account is to be paid. At the end of the ten-day period those accounts still outstanding will be sent a Notice of Intention to Disconnect, within five business days, unless the account is paid in full. Staff are expected to use collection tools at their disposal and their judgement in applying this policy in determining accounts that will be disconnected.

29. Staff are authorized to use generally accepted collection practices to locate exited water customers and collect arrears. If an inactive account is deemed to be uncollectable or if the expense of collections outweighs the amount to be obtained, staff may approve the write-off of the account. A list of account write-offs shall be presented to Council on an annual basis.

30. Staff may waive the interest charges if in their judgement the circumstances warrant it.

31. The CAO is authorized to adopt administrative policies/guidelines that further guide the collection process in accordance with the UARB

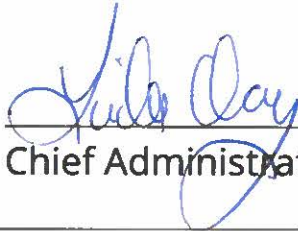
approved rules and regulations governing the water billing and collection process. See Schedule B

**REPEAL**

32. Council hereby repeals and replaces all previous policies for tax & water collections.

**Clerk's Annotation for Official Policy Book**

**THIS IS TO CERTIFY THAT** this the foregoing is a true and accurate copy of the Town of Oxford's Tax & Water Collection Policy which was adopted by Council at its duly convened meeting held 27 November 2024.



Chief Administrative Officer



Date

## SCHEDULE A – Tax & Water Collection Policy – 20230925-2

### Collections for Tax Arrears Policy

Every 3 months run an A/R report in Town Suite (A/R, Reports, Receivables, Aged Receivables) April, July (After Interim Tax bill due date), October (After Final Tax Final bill due date) and January.

Account type-Properties-Customer Type years Report Type total report option N/A

Export data to an excel sheet for faster manipulation (Excel data only),

**Accounts owing for the current year generally receive a Statement.** This report is set up by customer Record number and does not make separate reports for water and property but will separate on the same report if you select the source feature. (A/R, Reports, Collection, Statements, Current Balance, Single Record, Report Name: Statement Print: Source

**Accounts in arrears for prior years taxes receive a Statement of Arrears or a Preliminary Notice of Tax Sale.** A/R , Reports, collection , Notice of Arrears, Report Name : **Statement of Arrears or a Preliminary Notice of Tax Sale**, Single Record: client account #, Type : Property, Interest :Totalled( too shorten the statement), Print : Source, Report Options: check All interest as arrears & Include Non-Arrear balances (if not checked the balance that appears does not include the last six months), Type in Message the notes as required below:

For **Preliminary Notice of Tax Sale** e.g.: This is a **PRELIMINARY NOTICE FOR TAX SALE**. You have 60 CALENDER DAYS to pay the account **IN FULL!** At the end of the 60 days, without further warning, a title search and/or survey of the property may be commenced by the Town of Oxford - the cost of which will constitute a lien on the property in question.

For **Statement of Arrears** e.g.: The Town of Oxford tax collection policy states: Accounts that have current year tax outstanding and part or all the prior year tax outstanding shall be considered to be in tax sale position. To avoid Tax Sale Status, 20\_\_ property taxes of \$\_\_. must be paid in full.

Add other information in message as required e.g.: The payment plan agreed upon has not been followed, Thank You for the recent payments, unfortunately it was not enough to keep the property out of Tax Sale Status.

Update Master sheet "Tax Arrears Notices and Plans" and add notes on client's account.

Staff can also send out warning Notices with the Interim and Final Bills, but a Preliminary Notice should be a separate document.

**If arrears are not paid or payment arrangements made within the 60 days of the Preliminary Notice, a Notice of Tax Sale can be issued. Notice of Tax Sale should be a certified letter as well as delivered to property.**

## SCHEDULE B – Tax & Water Collection Policy – 20230925-2

### Collections for Water Arrears Policy

Every 3 months run an A/R report in Town Suite one month preferably after the latest water bill was due. March, June, September, December.

A/R, Reports, Receivables, Aged Receivables Account Type-Utilities-  
Customer Type: Quarters, Report Type: Total report option N/A

Export data to an excel sheet for faster manipulation (Excel data only),

No Action Required if account is in arrears less than 90days and under\$150.00

Water Accounts in arrears over 90 days and greater than \$150 should be sent a reminder with the next water bill. Re Check balance at that time.

Water accounts in arrears over 180 days and over \$200 should be sent a **Notice of Arrears** with note "Pay Arrears by \_\_\_\_\_ or a Notice of intention to Disconnect will be Served

Water accounts in arrears over 260 days and over \$200 should be sent a **Notice of Intention to Disconnect** with a note "Pay Arrears by \_\_\_\_\_ or a WATER SERVICE DISCONNECTION NOTICE will be served.

Water accounts in arrears over 365 days "Prior column" will be sent a **WATER SERVICE DISCONNECTION NOTICE** with 5 business days to pay in full. Check that a previous Notice of Intention to Disconnect has been sent to the client. You can find this information either on the Master sheet "Water Arrears, Notices and Plans" or in the client's notes. If a Notice of Intention to Disconnect was not sent previously, send one before sending a WATER SERVICE DISCONNECTION NOTICE.

To process Notices for Water Account Arrears : A/R , Reports, collection ,  
Notice of Arrears, Report Name: **Notice of Arrears/ Notice of intention to**

## **Disconnect Water Service/ NOTICE OF WATER SERVICE**

**DISCONNECTION**, Single Record: client account #, Type : Utility, Interest :Totaled (shortens the statement), Print : Source, Report Options: check All interest as arrears & Include Non-Arrear balances (if not checked the balance that appears does not include the last six months)

Type in Message the notes required above and add other information e.g.: The payment plan agreed upon has not been followed. Thank You for the recent payments, unfortunately it was not enough to continue the water service.

Update Master sheet "Water Arrears Notices and Plans" and add to notes on client's account for Notice of intention to Disconnect Water Service/ NOTICE OF WATER SERVICE DISCONNECTION only.

**\*\*Note:** Water Accounts arrears for the current year will also appear on Customer account Statements sent with the Tax collection Policy.