
COVID-19 Property Tax Financing Program Policy

POLICY

Title: Covid-19 Property Tax Financing Program Policy

Policy No.: 2020-02

Supersedes:

Effective Date: June 4, 2020 Approved by Council Motion No.: CoW2020-06-04-03

Town of Annapolis Royal

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

The Town of Annapolis Royal is concerned about the health and safety of residents. **The Town of Annapolis Royal** 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 An owner of a residential property where the owner was a registered Tourism Operator with Tourism Nova Scotia for the 2019 tourist season (excluding AirBNBs);

4.1.3 An owner of a residential property that is rented to one or more tenants, where the owner has experienced a significant reduction in rental income from the property due to the State of Emergency, demonstrated through the following:

[4.1.3.1 Signed affidavit acceptable by the Town of Annapolis Royal that clearly explains financial hardship and relevant provincial/federal and other documentation.

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 five million dollars (**\$5,000,000**) 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 by providing a signed affidavit acceptable to the Town of Annapolis Royal that clearly explains financial hardship and relevant provincial/federal and other documentation.

4.2.2 An owner of a taxable commercial property who has experienced financial hardship through loss of revenue related to the State of Emergency, regardless of the assessed value, where:

4.2.2.1 The owner of the property is a tourism operator registered under the *Tourist Accommodations Registration Act* and the property is used for tourist accommodations (e.g., hotels, motels, bed and breakfasts);

4.2.2.2 The owner of the property carries on the business of an automotive or leisure/recreational vehicle dealership on the property;

4.2.2.3 The owner of the property uses the property as a private or non-profit recreation facility (e.g., golf courses, indoor playgrounds, campgrounds, racing venues);

4.2.2.4 The owner of the property carries on a business on the property in the hospitality industry, including bars, cafes, and coffee shops;

4.2.2.5 The owner of the property carries on a business on the property in the service industry, including hairdressers, nail salons, gyms, tattoo parlours;

4.2.2.6 The owner of the property carries on a business on the property as a health care provider (including, but not limited to, dentists, naturopaths, chiropractors, physiotherapists, physicians and other doctors), where that business has been required to reduce hours as a result of the State of Emergency.

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 Town through legislation or bylaw;

4.3.6 Properties owned by non-profit organizations that are funded by the Town or that are partially exempted from property tax;

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

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 Town an application in the form attached as Schedule “A” for Residential applications and Schedule “B” for Commercial applications to this policy.

4.4.3 The application deadline to participate in the Program is June 30th, 2020.

5. **Administration**

5.1 Tax Installments

5.1.1 For applications meeting the Program criteria set out above, property tax payments normally due between May 31st, 2020 and November 30th, 2020 for approved properties may be paid in installments as follows.

5.1.2 For each property, Program participants will pay tax installments as follows:

5.1.2.1 Payments of \$25 per month for six months, payable on or before the last day of each month, commencing in the month the property tax payment is normally due.

5.1.2.2 Following these six months at \$25 per month, monthly payments equal to 1/24th of the balance of the amount eligible for the Program plus interest as set out below. These monthly payments are payable on or before the last day of each month and continue for 24 months.

5.1.3 The rate of interest for the Program will be **5 %** 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 an 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; and¹

5.2.3.2 The outstanding taxes and interest then owing will become subject to the Town’s regular rate of interest for overdue taxes of **18%**.

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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 Town's regular rate of interest for overdue taxes of **18%**.

5.2.5 Payments received by the Town of Annapolis Royal 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 Town.

6. **Responsibilities**

6.1 Council will:

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

7.2 The **Chief Administrative Officer/Director of Finance** will:

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

7.2.2 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 Town of Annapolis Royal.

Certification

THIS IS TO CERTIFY that this policy was duly passed by a majority vote of the whole Council at a duly called Council meeting held on the 4th day of June, 2020.

GIVEN under the hand of the CAO and under the seal of the Town of Annapolis Royal this 4th day of June, 2020.

Sandi Millett-Campbell
Chief Administrative Officer