

COVID-19 PROPERTY TAX FINANCING PROGRAM POLICY

1. PURPOSE

This Policy establishes a one-time property tax installment payment program (the "Program") for residential and commercial properties negatively affected by the COVID-19 global pandemic.

2. LEGISLATION

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.

3. DEFINITIONS

For the purposes of this Policy, the following definitions are provided:

- a. "Council" means the Council of the Municipality.
- b. "Councillor" refers to a Council member and includes the Mayor and Deputy Mayor, unless otherwise indicated.
- c. "Municipality" refers to West Hants Regional Municipality.
- d. "Special Tax Installment Rate" refers to an interest rate based on the Municipality's cost of borrowing plus 0.25 percent to cover administrative costs. This interest rate is particular to this Program, designed to reduce the financial impact of Covid-19, and differs from the Municipality's normal property tax interest rate.
- e. "Tax Installment" refers to a payment calculated as 1/24th of the total eligible taxes plus applicable interest.
- f. "Tax Installment Payment period" refers to the 24-month period beginning six months after the tax bill due date.

4. SCOPE

This Policy covers all residential and commercial property owners as outlined below.

- a. Residential
 - i. 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

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COVID-19, demonstrated through receipt of Provincial or Federal program assistance, or a Record of Employment (ROE) demonstrating layoff from employment after March 15th, 2020.

- ii. An owner of a residential property where the owner was a registered Tourism Operator with Tourism Nova Scotia for the 2019 tourist season (excluding Air BNBs).
 - iii. 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:
 - Description of loss of rental income
 - Letters from tenants reflecting hardship and inability to make rent payments.
 - Other related financial documents
- b. Commercial
- i. An owner of a taxable commercial property where the property has a total taxable 2020 property assessment equal to or less than \$4,000,000, 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 through the following:
 - Financial information including financial statements reflecting loss of revenue
 - Notice of business closure
 - Notice of employee lay off
 - ii. The Program will include the following commercial property owners, without consideration of any limitation on assessed value:
 - The owner of the property is a tourism operator registered with the Tourist Accommodations Registration Act and the property is used for tourist accommodations (e.g., hotels, motels, bed and breakfasts)
 - The owner of the property carries on the business of an automotive or leisure/recreational vehicle dealership on the property

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- The owner of the property uses the property as either a private or non-profit recreation facility (e.g., golf courses, indoor playgrounds, campgrounds, racing venues)
- The owner of the property carries on a business on the property in the hospitality industry, including bars, cafes, and coffee shops
- The owner of the property carries on a business on the property in the service industry, including hairdressers, nail salons, gyms, and tattoo parlours
- 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.

5. EXCLUSIONS

Regardless of Section 4 of this Policy, the following are not eligible to participate in the Program:

- a. Property owners who have not experienced financial hardship through loss of revenue related to the State of Emergency.
- b. Property owners who have received compensation from Business Interruption Insurance towards the payment of property taxes.
- c. Properties occupied by daycare centres in receipt of Federal or Provincial funding, or those in receipt of any other emergency funding.
- d. Properties used for landfill, pipeline, managed forest, parking, and commercial vacant land.
- e. Properties for which there is an active tax agreement with the Municipality through legislation or by-law.
- f. Properties owned by non-profit organizations that are funded by the Municipality or partially exempted from property tax.
- g. All properties managed under payment-in-lieu programs.

6. GENERAL REQUIREMENTS

- a. Installments will be payable by the owner of the property for the current fiscal year.

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- b. For a property to qualify for the Program, the taxes for the property must not be in arrears at the time of application.
- c. Property owners wishing to apply to participate in the Program for a property must apply on the web portal managed by the Association of Municipal Administrators.
- d. The application deadline for this Program is August 31st, 2020.

7. TAX INSTALLMENTS

- a. Property taxes normally due September 1st, 2020, will be eligible for this Program given the preceding criteria is met.
- b. Program participants will pay tax installments of \$25 per month for six months beginning on October 28th, 2020.
- c. 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.
- d. The yearly rate of interest for the Program will be 1.1 percent plus 0.25 percent to cover administration fees, for a total rate of 1.35%.
- e. Interest on amounts owing under the Program will be calculated from the date of the tax bill due date to the end of the tax installment payment period.
- f. Tax installments are due by Preauthorized Debit on the 28th day of the month.

8. TERMS OF THE PROGRAM

- a. The Treasurer, or their delegate, will approve qualifying property owners.
- b. Where a property owner qualifies for the Program, the property tax account must remain in good standing with the Municipality throughout the duration of the Program.
- c. Default of payment of an installment when due will result in removal from the Program.
- d. Removal from the Program will result in the balance of outstanding taxes and interest becoming immediately due and payable.

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- e. Removal from the Program will result in the outstanding taxes and interest then owing becoming subject to the Municipality's normal rate of interest, resulting in a compound rate.
- f. All other receivable balances on the property account not included in the Program are due on their normal dates and will generate interest per the Municipality's normal rate of interest as per RCOFN-004.00 Tax Collection Policy.
- g. Tax installment receivables will be considered for payment prior to any other receivable on the account in good standing with the Municipality throughout the duration of the Program.

9. GENERAL PROVISIONS

- a. Applications will be made through a central portal administered by the Association of Municipal Administrators of Nova Scotia with whom participants will share submitted information.
- b. Any property taxes owing outside of taxes covered under this Policy that are in arrears, fall within RCOFN-004.00 Tax Collection Policy and the *Municipal Government Act*.

I, Rhonda Brown, Municipal Clerk of the West Hants Regional Municipality, the Province of Nova Scotia, do hereby certify that this is a true copy of the Policy as adopted by the Council of the West Hants Regional Municipality at a meeting duly called and held on the **28th** day of **July, 2020**.


 R.N. Brown
 Municipal Clerk

<i>Adoption</i>	
<i>Notice to Council:</i>	July 14, 2020
<i>Approval:</i>	July 28, 2020
<i>Description:</i> Initial approval of COVID-19 Property Tax Financing Program Policy, RCOFN-009.00.	