



Town of Petty Harbour-Maddox Cove

Title: Tax Collection and Arrears By-Law

Resolution Number:

By-Law Number: 4

Date Approved:

Pursuant to the powers vested in it under Section 7 (1)d of the Towns and Local Service Districts Act the Town Council of Petty Harbour-Maddox hereby passes and enacts the following by-law relating to tax collection, fees and arrears.

The Town of Petty Harbour-Maddox Cove will invoice for taxes at two intervals per year, once in January and again in May. All invoices are due as of June 30 of the current calendar year.

Taxes will be determined as per the Assessment Roll and or any Supplementary Rolls. Taxes and fees will be calculated by the current year's Tax Schedule.

Residential, Commercial and Business taxes will be calculated as per the current year's Tax Schedule.

Residential and Commercial Water & Sewer and Garbage fees will be calculated as per the current year's Tax Schedule.

Combined Property Taxes

Property owners that have more than 1 property and/or parcel of land, can have the property values combined for billing purposes provided all the below conditions are met. Take note that this does not include Water & Sewer and Garbage fees, if applicable.

1. Property owner is listed on the current year's Assessment Roll issued by the Municipal Assessment Agency.
2. All properties combined cannot have any outside interest (i.e. Bank or Financial Institution) and must have the same billing address on the current year's Assessment Roll.
3. Businesses cannot be combined with any other property for tax purposes.

Small Business Tax

The Town of Petty Harbour-Maddox Cove will charge a \$50 Small Business Fee to any business who had a previous year's Gross Revenue of \$2,000.00 or less and does not have a registered HST number. If all criteria are met and Council receives a signed copy of the Gross Revenue for the previous year from the business owner, a small business fee of \$50 shall apply. Small business owners will have to provide the above noted documentation by January 15 of each year in order to be eligible for the Small Business Fee. If small business owners do not provide their gross revenue by January 15, then they will be charged the minimum regular Business Tax as per the current year's Tax Schedule.

Tourist Accommodation Tax

TOURIST ACCOMMODATION: Shall mean all roofed accommodations offering accommodations or lodgings to paid guests either regularly or occasionally on a short-term basis.

1. All tourist accommodations businesses within the Town of Petty Harbour-Maddox Cove must be registered to operate with the Government of Newfoundland and Labrador's Department of Tourism, Culture, Industry and Innovation. A permit must be obtained from the town before a tourist accommodations business can operate. A permit will be issued only when a tourist accommodation business is confirmed to be registered with the Government of Newfoundland and Labrador's Department of Tourism, Culture, Industry and Innovation.
2. All tourist accommodations businesses will be charged a residential water & sewer tax and residential garbage fee for 12 months of the year.
3. All tourist accommodations businesses will have a new assessment completed by the Municipal Assessment Agency.
4. All registered tourist accommodations properties that are renting an entire property will be charged a commercial property tax and a business tax as per the current year's Tax Schedule.
5. All unregistered tourist accommodations properties that are renting an entire property will be charged a commercial property tax and a business tax at a mil rate of 19 for 12 months of the year. The minimum business tax for unregistered tourist accommodations will be set at \$800 per year.
6. All registered tourist accommodation properties in which there are rentals in only part of a resident's home will have the portion of the home that is used as a rental assessed. They will be charged a residential property tax on the entire property and a business tax on the assessed value of the rental portion as per the current year's Tax Schedule. The minimum business tax will be set as per the current year's Tax Schedule.
7. All unregistered tourist accommodation properties in which there are rentals in only part of a resident's home will have the portion of the home that is used as a rental assessed. They will be charged a residential property tax on the entire property and a business tax on the assessed value of the rental portion at a mil rate of 19. The minimum business tax will be set at \$800 per year.

Commercial Water & Sewer and Garbage Fees (As per Section 130 of the Towns and Local Service Districts Act)

Commercial businesses will be charged a Commercial Water & Sewer and Garbage Fee as per the current year's Tax Schedule.

The Town of Petty Harbour-Maddox Cove retains the right to refuse any garbage containing prohibited material or liquids and also any garbage that is deemed too heavy to safely lift onto the truck. Garbage that is not appropriately contained may also be refused.

Sanitary Disposal Bin Specifications

Definition: Non-organic - not relating to, containing, or derived from living things material.

All businesses with a Food Establishment Licence must be equipped with a commercial grade non-organic exterior sanitary disposal bin. The bin must have a fully functioning hinged lid. The bin must accommodate the total volume of waste produced by the business. Garbage bins cannot be over filled. Lids must be closed at all times. No garbage can be place outside the garbage bin.

If the business is using the town's waste removal/garbage services, then garbage must be placed at the curb no later than 8:00am the morning of collection. Garbage cannot be placed out overnight.

Home-based and tourist accommodations are exempt from commercial grade exterior sanitary disposal bins unless deemed necessary by council.

Water and Sewer Fee (Accessory Building)

Accessory Building: Shall mean

- i) a detached subordinate building not used as a dwelling,
- ii) for residential uses, domestic garages, carports, ramps, sheds, swimming pools, greenhouses, cold frames, fuel sheds, vegetable storage cellars, shelters for domestic pets or radio and television antennae,
- iii) for commercial/recreational uses, workshops or garages, sheds, stages and
- iv) for industrial uses, garages, offices, raised ramps and docks.

The owner of any accessory building that is connected to town's water infrastructure shall be charged a full year's water tax whether or not they have the water turned on for the full year. Accessory buildings that are on the same parcel of land as the primary residence will **not** be charged an extra water tax. If an accessory building that is located on the same parcel of land as the primary residence is being used as a business, the owner of the business will be charged a full year commercial water tax for the business.

The owner of any accessory building that is connected to the town's water through an alternate source such as, but not limited to, a hose connected to another property shall be charged for a full year water tax whether or not they have the water turned on for the full year. If a business is connected to the town's water through an alternate source, they will be charged a full year commercial water tax.

Filming Crew Fee

Definition: Film Crew- A group of people, hired buy a production company, for the purpose of producing a film or motion picture. To work for a non-news media commercial production.

The representative of the production must contact the Town of Petty Harbour-Maddox Cove as least 10 business days prior to the proposed filming start date. The representative of the production is responsible for submitting the completed Request to Film Application.

The representative must submit all required documentation as outlined in the Request to Film Application including a detailed traffic plan, detailed parking plan, proof of insurance noting the Town as additionally insured. A public notice is to be sent to residents outlining any pertinent information.

The representative must send a copy of the public notice to residents through Canada Post no later than 5 business days before the commencement of filming.

Film Crews will be charged a permit fee rate as per the current year's Tax Schedule.

Water Meters (as per Section 132 (1) b and 132 (3) of the Towns and Local Service Districts Act)

Council may require that a water meter be installed on a building in the town or the town may install a water meter on a building in the town, and the cost of that installation shall be a cost of the owner of the building. Businesses will be charged a water meter rate as per the current year's Tax Schedule.

As per Section 132 (4) of the Towns and Local Service Districts Act, where the water and sewer fee is set at a metered rate and there is no meter installed or working in relation to a building to which a metered rate applies, the town council may, for the purpose of imposing the water and sewer fee, estimate the quantity of water used in that building until a meter is installed and working.

Vacant Land Water & Sewer Fees (As per 131(2) of the Towns and Local Service Districts Act)

Where a water and sewer main runs along a parcel of vacant land council will not charge a water and sewer rate until the land is developed and physically connected to the water and/or sewer main.

Extra Garbage Fees

Extra garbage fees will be charged as per the current year's Tax Schedule.

Interest:

Interest charges will be calculated on taxes and fees that are not paid on or before the date on which they are due at a rate as per the current year's Tax Schedule (simple interest).

Statements:

Past due statements will be sent out at the beginning of each month to property owners that have taxes in arrears.

Review of Accounts in arrears

Council will review the accounts in arrears once a year in September.

Exemption, remission and deferment

As per Section 115 of the Town's and Local Service Districts Act:

(1) A person may apply to a town council for, and the town council may, by a vote of 2/3 of the councillors in office, grant an exemption, remission or deferment of taxes and interest on the taxes, either in whole or in part, for the period of time that the town council determines.

(2) A town council may determine the evidence which it shall require to warrant the exemption, remission or deferment.

Disconnection and/or Collections:

Taxes that are in arrears after the specified time in this by-law that do not have any arrangements made for payment (i.e. postdated cheques or approved payment schedule) will be sent a letter for disconnection and/or collections stating that taxes will have to be paid within 30 days or services will be disconnected or the account will be placed in collections. If no response or success is forthcoming from these steps, and taxes are still outstanding after 30 days, then services will be disconnected and/or the account will be placed in collections immediately. If a tax payment schedule has been agreed upon between the Town and the property or business owner the Town may give a final extension of December 31 of the current tax year.

If services have been disconnected and have to be reconnected, there will be a reconnection fee as per the current year's Tax Schedule.

Liens and arrears

As per Section 144 of the Towns and Local Service Districts Act a lien may be placed on a real property if taxes are in arrears or the account may be placed in collections.

Notice of arrears

As per Section 146 (1) of the Town's and Local Service Districts Act:

(1) Where a real property tax, a water and sewer fee or a local improvement fee is in arrears for 18 months, the town clerk shall serve a notice of arrears on the owner, mortgagee, judgment creditor, lienholder or other person having a charge or encumbrance upon or against the real property to which the real property taxes, water and sewer fees or local improvement fees apply.

(2) A notice referred to in subsection (1) shall be signed by the town clerk and shall contain the following information:

- (a) a general description of the real property affected;
- (b) the amount of arrears of taxes, water and sewer fees and local improvement fees owing in respect of the real property;
- (c) the year in which the arrears of taxes, water and sewer fees and local improvement fees were imposed and the person in whose name the real property was then assessed; and
- (d) a statement that the real property is liable to be sold under this Act for the arrears, with interest and the expenses of and incidental to the arrears unless they are paid within 90 days from the date of the notice.

(3) Notwithstanding section 293,

- (a) where the address of the person is not known and the real property affected by the notice is occupied, the notice referred to in subsection (1) shall be served by leaving the notice with the tenant or occupant of the real property; or
- (b) where any of the following apply, the notice shall be served by posting a copy of the notice in a conspicuous place on the real property:
 - (i) the address of the person is not known and the real property affected by the notice is not occupied,
 - (ii) the owner of the real property is not known, or
 - (iii) the town clerk has not been able to obtain information respecting ownership or encumbrances of the real property.

Uncollectable debts

As per Section 148 (1) of the Towns and Local Service Districts Act:

(1) A town council may, by a vote of 2/3 of the councillors in office, cancel or write off any arrears of taxes, fees, penalties or interest charges prescribed by by-law or specified in a resolution that, in the opinion of the town council, are no longer collectable from the person that is liable to pay them.

(2) Where a town council cancels or writes off taxes, fees, penalties or interest charges under subsection (1), the amounts owing in relation to the taxes, fees, penalties or interest charges cease to be amounts owing to the town.

Arrears sale

As per Section 150 of the Towns and Local Service Districts Act:

A town council shall, by resolution, direct that real property be sold by arrears sale upon confirmation by the town clerk that a notice of arrears for the real property was served in accordance with section 146 and the time period referred to in paragraph 146(2)(d) has expired.

Notice of arrears sale

As per Section 151 of the Towns and Local Service District Act:

(1) The town clerk shall immediately upon receipt of a copy of the resolution referred to in section 150 serve an owner, mortgagee, judgment creditor, lienholder or other person having a charge or encumbrance upon or against the real property with written notice of the arrears sale.

(2) A person who receives a notice under subsection (1) may, within 14 days of service of the notice, file an appeal with the town.

(3) Where an appeal has not been filed under subsection (2), the town clerk may advertise the real property referred to in the resolution for sale by public auction at a time and place that shall be stated in the advertisement.

(4) Where an appeal has been filed under subsection (2), the town clerk shall not advertise the real property referred to in the resolution for sale by public auction until a decision has been made with respect to the appeal.

(5) An advertisement under this section shall be published in accordance with section 292 at least 30 days immediately before the date of the arrears sale.

(6) It is sufficient in the notice and the advertisement to put the street and number of the real property, or to put another short reference by which the real property may be identified, together with a statement that a full description may be seen at the town clerk's office.

Arrears sale by public auction

As per Section 152 of the Towns and Local Service Districts Act:

(1) At the time and place referred to in the advertisement of an arrears sale the town clerk shall proceed to sell at the public auction the real property or portions of the real property that the town clerk determines are sufficient to pay the taxes, water and sewer fees, local improvement fees, interest and expenses, unless the arrears of taxes, water and sewer fees, local improvement fees and interest and the expenses incidental to those proceedings and the arrears sale are then, or have been previously, paid.

(2) Where the real property referred to in the advertisement of the arrears sale is only a portion of real property for which taxes, water and sewer fees or local improvement fees are owed and the portion does not sell for a sufficient amount to satisfy the taxes, water and sewer fees and local improvement fees, interest and expenses due with respect to the real property of which it forms a part, the town clerk may immediately, and without further notice, sell the whole or a portion of the remainder of the real property to satisfy the taxes, water and sewer fees and local improvement fees, interest and expenses.

(3) The town, by a town employee or agent, may bid for and purchase real property being sold to satisfy taxes, water and sewer fees, local improvement fees, interest and other expenses due.

Further notice of arrears sale

As per Section 153 of the Towns and Local Service Districts Act:

(1) Where, at the time set for an arrears sale, there are no bidders or the town clerk fails to sell the real property for the full amount of the arrears of taxes, water and sewer fees, local improvement fees, interest and expenses due, the town clerk shall

(a) adjourn the arrears sale until a date set by the town clerk that is not earlier than one week and not later than 2 weeks after the date on which the original arrears sale was scheduled;

(b) serve notice of the date of the arrears sale set under paragraph (a) on a person entitled to notice under subsection 151(1);

(c) publish a notice in accordance with section 292 that states that the arrears sale was adjourned and the time and place to which the arrears sale is adjourned; and

(d) attempt to sell the real property at public auction.

(2) The town clerk may sell the real property at the public auction for an amount that can be realized.

Arrears sale set aside

As per Section 154 of the Towns and Local Service Districts Act:

Where an arrears sale is set aside for an error, irregularity or other cause, the lien on the real property shall not, as a result of the error, irregularity or other cause be discharged but shall continue for the same time as if the date of the setting aside was the date on which the arrears sale took place and the real property may again be sold unless the taxes, water and sewer fees, local improvement fees, interest and expenses against it are paid.

Proceeds of arrears sale

As per Section 155 of the Towns and Local Service Districts Act:

(1) The town clerk shall, from money received at an arrears sale, deduct the amount of taxes, water and sewer fees, local improvement fees, interest and expenses owing to the town, at the time of the arrears sale.

(2) Where there is a balance remaining after making the deductions under subsection (1), the town shall

(a) where the balance is less than \$200, pay the balance to the former property owner; or

(b) where the balance is \$200 or more, pay the balance to the former property owner unless an application is made to the Supreme Court within 90 days of the auction by a person claiming entitlement to the balance and if an application is made, pay the balance to the Supreme Court.

(3) Where paragraph (2)(b) applies, the town shall immediately serve written notice on a person entitled to notice under subsection 151(1), setting out the amount of the balance and the requirement to apply to the Supreme Court within 90 days of the auction to claim entitlement to the balance or a portion of the balance.

(4) Where the former owner of the real property is unknown or cannot be located and there is a balance remaining after making the deductions under subsection (1), the town shall pay the balance to the Supreme Court.

(5) Payment of the balance to the Supreme Court under subsection (2) or (4) shall have the same effect as payment to the owner, and a judge of the Supreme Court, on the application of an interested person, may order the payment out of Supreme Court of the balance or a portion of the balance to the person entitled to it.

Failure to pay

As per Section 156 of the Towns and Local Service Districts Act:

Where the purchaser of real property at an arrears sale fails to immediately,

- (a) pay the town clerk or the town's agent the amount of the purchase price of the real property;
or
- (b) deposit with the town clerk an amount equal to the amount of the taxes, water and sewer fees, local improvement fees, interest and expenses of the arrears sale for which the real property has been sold,

the town clerk shall immediately re-offer the real property for sale at the public auction.

Future assessments

As per Section 157 of the Towns and Local Service Districts Act:

- (1) Where real property has been sold by arrears sale, the real property shall be assessed to the purchaser or the purchaser's executors, administrators or assigns.
- (2) Where the town is the purchaser, the real property shall be assessed to the town.

Vesting of real property following arrears sale

As per Section 158 of the Towns and Local Service Districts Act:

- (1) Where real property has been sold by arrears sale, the town council shall give to the purchaser a valid conveyance in the name of the town signed by the mayor and the town clerk or a person appointed by the town council and sealed by the town.
- (2) The conveyance referred to in subsection (1) shall
 - (a) be conclusive evidence that the provisions of this Act with reference to the arrears sale of the real property described in that conveyance have been fully complied with, and everything necessary for the legal perfection of that sale has been performed; and
 - (b) have the effect of vesting the real property in the purchaser, the purchaser's executors, administrators or assigns absolutely free from encumbrances except a claim of the Crown and an easement.

Nothing in this by-law shall exempt any person from any tax or fee as noted in the Town's current Year Tax Schedule.

REVISION HISTORY: Revision:	Resolution #:	Change Made:	Date: