

Town of Trinity Bay North
TAX COLLECTIONS BY-LAW

Pursuant to the authority conferred in Part VII of the Towns and Local Service Districts Act, 2025 the Town Council of Trinity Bay North has adopted the following By-Law on May 20, 2025.

1.0 TITLE

1.1. This document shall be known and cited as **Tax Collections By-Law.**

2.0 INTERPRETATION/DEFINITION

- 2.1 “Act” shall mean the Towns and Local Service Districts Act Chapter T-6.2.
- 2.2 “Council” shall mean the Town Council of Trinity Bay North.
- 2.3 “Fiscal” shall mean January 01 to December 31 of the current calendar year.
- 2.4 “Taxes” shall mean Business Taxes, Property Taxes, and Water and/or Sewer Taxes.
- 2.5 “Town” shall mean the Town of Trinity Bay North.

3.0 STATEMENT AND SCOPE

3.1. This By-Law applies to the collection of all taxes, including interest applied, on residential, multi-residential, commercial and business accounts.

4.0 APPLICATION

4.1 This By-Law applies to all Town of Trinity Bay North employees including, without limitation, Council, full-time, part-time, contract, seasonal, permanent, students and volunteers.

5.0 PROCEDURE

5.1 TAX COLLECTION FOR THE CURRENT YEAR

The Town of Trinity Bay North will post the annual tax levy by **January 31** of the current fiscal year.

5.1.1 Payment of Taxes

- a) Tax invoices will be sent out no later than **February 15** of every fiscal year. The property owner is responsible for ensuring the Town has their current mailing address on file.
- b) It is the responsibility of the property owner(s) to understand their tax and interest obligations regardless of any error in the issuance of notification from the Town.
- c) Taxes imposed by Council are due to be paid on or before **May 31** of the fiscal year unless changed by a Council motion.
- d) A reminder of outstanding taxes shall be issued in stating the implications of interest and requesting immediate payment.
- e) Quarterly reminders of outstanding taxes shall be issued, stating the interest applied and outstanding balance and requesting immediate payment.
- f) In December, a final warning of outstanding taxes will be issued advising that if full payment is not received immediately, the account will be subject to further collection actions. Taxes not paid in full by December 31 are subject to Collection Actions.
- g) Taxes not paid in full by the due date are subject to a one percent (1%) simple interest rate, which will be applied on the first day of every month thereafter.
- h) Payment plans are available via pre-authorized debit, pre-authorized credit card or post-dated cheque (see 5.1.3).

5.1.2 Payment Methods

Tax payments can be made by any of the following means:

- a) In-person at the Town Hall
- b) E-Transfer (townclerk@personainternet.com)
- c) Over the phone
- d) By pre-authorized payment
- e) Paid by your mortgage provider

5.1.3 Payment Plans

- a) Payment plan applications must be received in January (available online or the Town Hall). Upon approval of the payment plan, payments must commence as per the approved application. Balances must be paid in full **by December 31** of the fiscal year.
- b) Payment plans for the prior year's taxes will be considered on a case-by-case basis.
- c) Should a payment be rejected and/or returned as insufficient funds, the property owner(s) will be subject to a **\$45 administration fee**. The property owner(s) will **have five (5) days** to resubmit the payment.
- d) Defaulting on a payment plan will be considered as a cancellation of the plan. Cancelled payment plans are then subject to retroactive interest.

5.2 INTEREST

Following 5.1.1(c), interest will be applied to the account at a one percent (1%) simple monthly rate.

- a) The property owner(s) will receive a quarterly statement of account showing outstanding balances and Interest applied until the account is paid in full.
- b) Applied interest will not be removed without a resolution from council.
- c) Interest will be waived only if a payment plan is in place before the due date and is maintained and paid in full by December 31 of the fiscal year.

5.3. COLLECTION ACTIONS

5.3.1 Accounts Over One Year

Accounts with a balance forward in January for the prior year's taxes without a payment plan will be issued a final warning that collection measures, recovery, and legal action may follow.

5.3.2 Collection Procedures for Accounts Over One Year less than 18 months

- a) **By March 31** – The Town Clerk will provide a Notice of Arrears to those with tax arrears greater than one year for real property per Section 146 - Notice of Arrears of the Towns & Local Service Districts Act. The notice will request complete payment or a suitable payment plan by the end of April,
- b) **By Mid-April** – If payment or suitable arrangements have not been made, the Town Clerk will provide water disconnection notices requiring delinquent taxpayers to complete payment or offer a suitable payment plan by mid-May,
- c) **Between mid-May and June 1st** – The Town Clerk will request council authority through a “resolution” to disconnect services by the end of June.

5.3.3. Collection Procedures for Accounts 18 months and over

In accordance with the Act Section 146 subsection (1) where a real property tax, a water and sewer fee, or local improvement fee is in arrears for **18 months**, the Town Clerk shall service 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.

In accordance with the Act Section 146 subsection (2) this notice 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.

In accordance with Section 146 subsection (3) notwithstanding section 293 of the Act,

- 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 Section 146 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.

5.3.4 Legal Action

Where the property owner(s) have not made payment arrangements or payment arrangements have not been satisfactorily maintained, the Town may initiate legal action in the order of priority as follows:

- a) **Rental Seizure:** If a tenant is in the property, a rental seizure will commence as per Section 159 of the Act. A rental seizure letter will be sent to the property owner(s) notifying them that if no contact is made within ten (10) business days to make payment arrangements, the seizure will begin immediately. The rental seizure will remain in effect until the outstanding tax balance is paid in full.
- b) **Water Disconnection** – property owner(s) with water and/or sewer service will be advised that services will be shut off per Section 160 of the Act. A water/sewer disconnection letter will be sent to the property owner(s) notifying them that if no contact is made within ten (10) business days to make payment arrangements, the service will be disconnected. The letter will include the date of disconnection, which will be determined by the availability of Public Works staff.

- c) Private Collection Agency: At the Town’s discretion, any account in arrears can be sent to a private agency for collection.
- d) **Small Claims Court** – Accounts in collections with a balance of \$5000 or less can be sent to Small Claims Court for recovery, as per Section 161 of the Act.
- e) **Supreme Court** - Accounts in collections with a balance of \$5001 or more can be sent to the Supreme Court for recovery, as per Section 161 of the Act.
- f) **Tax Sale** - In extenuating circumstances where the above actions are not effective, the account may be referred to the Town’s legal service providers to commence a tax sale procedure of the property. This course of action will be decided on a case-by-case basis.

6. REVIEW

The Town shall review this by-law every two years and consider areas for improvement.

7. REPEAL OF PREVIOUS BY-LAWS AND AMENDMENTS

None

8. AMENDMENTS

None

9. INITIAL EFFECTIVE DATE / RESOLUTION

This By-Law first came into effect on May 20, 2025 through a resolution of council, #2025-05-20-7100