

**MUNICIPALITY OF THE COUNTY OF COLCHESTER  
POLICY ON INTEREST**

**INTRODUCTION**

The Municipal Government Act authorizes Council, by Policy, to set interest rates for overdue taxes (s.49 (1)(a), s.113(2), and for matters where the Municipality has incurred remediation expenses, such as for dangerous or unsightly premises or land use by-law infractions, (s.507). It also allows the Municipality to set a rate of interest on taxes overpaid as a result of Assessment Appeals lowering the amount payable (s.114(2)). This Policy serves that purpose.

**TERMS OF THE POLICY**

It is the Policy of the Municipality:

1. On all overdue taxes, rates and charges, and on all debts due to the Municipality which are collectable as a lien against a property, including but not restricted to debts contemplated by s.507 of the *Municipal Government Act*, SNS 1998, c.18, interest shall be payable at a rate calculated as follows:
  - (i) Interest will be calculated and accrued, on arrears, at a rate of 1.0% monthly, applied on the outstanding account balance effective the last day of each month.
  - (ii) In case of overdue taxes, rates, charges and other debts, where the taxes, rates, charges and other debts are not paid by the due date on the tax invoice, interest shall be calculated starting the last day of the month following the due date, namely September 30th, at the rate determined in (i).
2.
  - (i) After an assessment appeal is finally determined, and if the appeal results in taxes having been overpaid by the appellant, the Municipality will pay interest on the amount overpaid by the appellant. The interest rate paid will be the average of the Municipality's Operating Bank monthly interest rate for the period from when the payment is received to when the refund amount is determined and cheque issued to the appellant.
  - (ii) Interest is only payable on refunds caused by appeals. Early payments, overpayments, and other credit balances on a taxpayer's account will not be entitled to any interest payable.
3.
  - (i) Payments received by mail, over the counter or by online banking are deemed to be paid on the date received, therefore payments received after the month end date are subject to interest.
  - (ii) The Municipality of the County of Colchester considers it the responsibility of the property owner to ensure their address is up to date on the assessment roll and the Municipality tax system. The Municipality considers it the taxpayer's responsibility to contact the Municipal to determine amounts owing for taxes if they have not received their bill. As such, the Municipality will not reverse interest charges relating to incorrect mailing addresses.
4.
  - (i) Where notice is received from PVSC that an error has been made in the filed roll, the

Treasurer may approve interest reversal.

- (ii) Where there has been an error made by Municipal staff or in other circumstances deemed appropriate, the Treasurer may approve interest reversal.
- 5. Interest rates prescribed in other Municipality policies, by-laws, agreements, contracts, etc. supersede the interest calculation and rates as reference in (1). Where interest is not prescribed in such circumstances, reference to this policy is warranted.
- 6. In extenuating circumstances, Council, by way of motion outside of this policy, has authority to adjust the interest rate temporarily for a defined period.
- 7. This policy shall be reviewed by Corporate Services staff every five years or when operational circumstances deem necessary.

Clerk's Annotation for Official Policy Book	
Date of Notice of Intent to Consider to Council Members (minimum 7 days):	<u>June 8, 2020</u>
Date of Passage of Current Policy:	<u>June 25, 2020</u>
<u>Rob Simonds</u> Municipal Clerk	<u>July 6, 2020</u> Date