

Policy: Policy on Interest

Date Originally Approved: June 29, 2000

**Motion: "That the Policy on Interest be approved as amended."
Motion carried.**

This Policy is current as of: June 29, 2000

**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 Rate of 15% per annum,calculated monthly on the principal amount owing.
 - (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 invoice, interest shall be calculated from the due date onward, 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 Bank Average Prime Rate (Monthly) less 3 ½% for the period from the due date on the invoice 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.