

TITLE:	INTEREST ON PREPAYMENT OF PROPERTY TAXES		
Origin:	Finance		
Adopted:	Council – October 27, 2003	#2003.38.807	Ref: FN-018
Amended:			Page: 1 of 2

1. Monthly Installments

- (a) Any taxpayer being liable to the Town of Sidney for property taxes, parcel taxes or local improvements which are included on the annual tax notice may apply to the Collector to pay taxes in ten equal monthly installments from August 1st of the year preceding to May 1st of the year in which the current taxes are due.
- (b) The payment of property taxes on an equal monthly installment basis shall commence upon the taxpayer providing the Town with written authorization in a form acceptable to the Town, to permit automatic deduction from the taxpayer's bank account to credit the Town with said monthly payment. Said monthly payments to be approximately one eleventh (1/11) of the estimated taxes but not less than \$25.00 for the following year or by an amount mutually agreed upon, provided that the total of the monthly payments does not exceed the taxes payable in the immediately preceding taxation year.
- (c) The difference between the taxes levied for the current year and the total of the installments authorized and paid will be due on the tax due date of the current year. Any balance remaining unpaid after the tax due date will be subject to the penalty provisions of the *Municipal Act* and the Bylaw authorized thereunder.
- (d) The Collector may cancel the privilege of continuing in the monthly installment plan if two consecutive installments fail to be honoured. There will be a \$20 service charge on each payment not honoured.
- (e) The Collector shall, on the last day of each month, credit interest on the amount paid to that day to the benefit of the taxpayer participating in the monthly installment program with the exception of the interest for the months of May and June wherein the interest shall be credited on the 1st day of May. The interest rate payable under this program shall be 2.5 percent less than the prime lending rate of the Town's chartered bank prevailing on that date. Interest shall be calculated monthly and compounded.
- (f) A participating taxpayer may discontinue participation in the monthly installment program upon giving ten days notice in writing, but no monies paid under the plan will be returned or refunded and the Collector shall continue to pay interest as set out in Section 1(e) of this Policy.
- (g) There is no refund under this plan. However, if a payment is inadvertently made after a sale of the property, a refund may be given after providing the Collector with a Statement of Adjustments and proof of transfer of title. There will be a \$20 service charge for processing this refund.

- (h) In the event of a sale of the property, tax prepayments are to stay on the property's account and responsibility for adjustment shall be between the vendor and purchaser.
- (i) Participation in the monthly installment program shall continue until terminated by either party in writing. The amount of the monthly installment may vary from year to year as agreed to by the parties.
- (j) If eligible, the homeowner must still apply for the homeowner grant after receiving his tax notice. The estimate of next year's prepayment will be based on the taxpayers continued eligibility for the grant.

2. Random Prepayments

In addition to the monthly installment system authorized herein, the Collector is also authorized to accept and to hold money to be applied at a future date in payment of taxes upon the following terms and conditions:

- (a) no less an amount than \$25.00, or the total estimated unpaid taxes, shall be accepted for any one parcel of land and any improvements thereon;
- (b) when tendering any amount under this Policy, the taxpayer shall designate the account for which such tendered amount is to be accepted and held;
- (c) interest shall be paid on these amounts in the same manner as defined in Section 1(e) of this Policy, with the exception that no interest shall be paid on any money paid after April 30th for the current year's taxes;
- (d) a taxpayer requesting a refund of a tax prepayment made under this program will receive interest on the amount at a rate in accordance with Section 1(e) of this Policy;
- (e) in the event of a sale of the property, tax prepayments are to stay on the property's account and responsibility for adjustment shall be between the vendor and purchaser.

A taxpayer will be precluded from participating in the tax prepayment plan if there are taxes in arrears or delinquent chargeable on the property in question.