



COVID-19 PROPERTY TAX FINANCING PROGRAM POLICY

1. This policy is entitled “COVID-19 Property Tax Financing Program Policy.”
2. **Objective:**

The Town of Trenton is concerned about the health and safety of residents. The Town of Trenton recognizes that facilitating the payment of property taxes in installments will better allow Nova Scotians to follow the public health directives endorsed by the Government of Nova Scotia. This Policy responds to that need by establishing a one-time property tax installment payment program (the “Program”) for owners of residential and commercial properties negatively affected by the COVID-19 global pandemic.
3. **Authority:**

Sections 111 and 112 of the *Municipal Government Act* give Council the authority to provide for the payment of taxes by installments.
4. **Scope:**
 - 4.1 **Residential** – The following owners of residential property are eligible to participate in the Program:
 - 4.1.1 An owner of a residential property that is the owner’s primary residence, where the owner has experienced financial hardship through a significant reduction in income due to the State of Emergency declared by the Government of Nova Scotia in response to COVID-19, demonstrated through receipt of Provincial or Federal program assistance, or a Record of Employment (ROE) demonstrating layoff from employment after March 15, 2020;
 - 4.1.2 An owner of a residential property where the owner was a registered Tourism Operator with Tourism Nova Scotia for the 2019 tourist season (excluding AirBNBs),
 - 4.1.3 An owner of a residential property where the property has a total taxable 2020 property assessment value equal to or less than \$500,000.00 (five hundred thousand) that is rented to one or more tenants, where the owner has experienced a significant reduction in rental income from the property due to the State of Emergency, demonstrated through the following:
 - 4.1.3.1 A signed document that includes the total rental income received applicable for the month of February 2020 for the specific property and the total rental income received for each of April, May and June (if June rent is due prior to making the application) of 2020 for the specific property and the rental income proves to have decreased by at least 30% (thirty percent) for any two consecutive months as compared to February 2020.



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4.2 Commercial – The following owners of commercial property are eligible to participate in the Program:

- 4.2.1 An owner of a taxable commercial property where the property has a total taxable 2020 property assessment value equal to or less than \$500,000.00 and where the owner's business or building located on the property has experienced financial hardship through loss of revenue related to the State of Emergency, demonstrated through the following:
 - 4.2.1.1 A signed document that includes the total revenue for the specific business operated from the property for April and May 2019 and the total revenue for April and May 2020 for the same business and that the total revenue proves to have decreased by at least 30% (thirty percent) from 2019 to 2020.
- 4.2.2 An owner of a taxable commercial property who has experienced financial hardship through loss of revenue related to the State of Emergency, regardless of the assessed value, where:
 - 4.2.2.1 The owner of the property is a tourism operator registered under the *Tourist Accommodations Registration Act* and the property is used for tourist accommodations (e.g., hotels, motels, bed and breakfasts);
 - 4.2.2.2 The owner of the property carries on the business of an automotive or leisure/recreational vehicle dealership on the property;
 - 4.2.2.3 The owner of the property uses the property as a private or non-profit recreation facility (e.g., golf courses, indoor playgrounds, campgrounds, racing venues);
 - 4.2.2.4 The owner of the property carries on a business on the property in the hospitality industry, including bars, cafes, and coffee shops;
 - 4.2.2.5 The owner of the property carries on a business on the property in the service industry, including hairdressers, nail salons, gyms, tattoo parlours;
 - 4.2.2.6 The owner of the property carries on a business on the property as a health care provider (including, but not limited to, dentists, naturopaths, chiropractors, physiotherapists, physicians and other doctors), where that business has been required to reduce hours as a result of the State of Emergency.

4.3 Exclusions – Regardless of sections 4.1 and 4.2 of this policy, the following are not eligible to participate in the Program:

- 4.3.1 Property owners who have not experienced financial hardship through loss of revenue related to the State of Emergency;
 - 4.3.2 Property owners who have received compensation from Business Interruption Insurance towards the payment of property taxes;
 - 4.3.3 Properties occupied by daycare centres in receipt of federal or provincial funding, or those in receipt of other emergency funding;
 - 4.3.4 Properties used for landfill, pipeline, managed forest, parking, and commercial vacant land;
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- 4.3.5 Properties for which there is an active tax agreement with the Municipality through legislation or bylaw;
 - 4.3.6 Properties owned by non-profit organizations that are funded by the Municipality or that are partially exempted from property tax;
 - 4.3.7 All properties managed under payment-in-lieu-programs.

4.4 General Requirements

- 4.4.1 Installments shall be payable by the person, company or other entity assessed for the property for the current fiscal year;
- 4.4.2 In order for taxes for a property to qualify for the Program, the taxes for the property must not be in arrears at the time of application.

4.5 Application

- 4.5.1 Property owners wishing to apply to participate in the Program for a property must complete and submit to the Municipality an application in the form attached as Schedule "A" to this policy.
- 4.5.2 The application deadline to participate in the Program is July 15th, 2020.

5. Administration

5.1 Tax Installments

- 5.1.1 For applications meeting the Program criteria set out above, property tax payments normally due between June 30th, 2020 and October 31st, 2020 for approved properties may be paid in installments as follows.
- 5.1.2 For each property, Program participants will pay tax installments as follows:
 - 5.1.2.1 Payments of \$25 per month for six months, payable on or before the last day of each month, commencing in the month the property tax payment is normally due.
 - 5.1.2.2 Following these six months at \$25 per month, monthly payments equal to 1/24th of the balance of the amount eligible for the Program **plus** interest as set out below. These monthly payments are payable on or before the last day of each month and continue for 24 months.
- 5.1.3 The rate of interest for the Program will be 1.35% per year.
- 5.1.4 Interest on amounts owing under the Program will be calculated commencing on the date the property tax payment is normally due and continuing until all installments have been paid.

5.2 Terms of the Program

- 5.2.1 The Treasurer, or his or her delegate, shall approve qualifying applicants.
- 5.2.2 Payments under the Program must remain in good standing with the Municipality throughout the duration of the Program. Absolutely no exceptions.
- 5.2.3 Default in payment of an installment when due will result in the following:
 - 5.2.3.1 The balance of outstanding taxes on the applicable property and interest will become immediately due and payable; and



- 5.2.3.2 The outstanding taxes and interest then owing will become subject to the Municipality's regular rate of interest for overdue taxes of 1.25%.
- 5.2.3.3 All amounts owing and payable on the property tax account that are not included in the Program are due on their normal dates and any amounts not paid when due will be subject to the Municipality's regular rate of interest for overdue taxes of 1.25%.
- 5.2.3.4 Payments received by the Municipality from a property owner will first be applied to any installments due under the Program, in priority to any taxes or other amounts owing by the owner to the Municipality. Interest charged on the accounts under this plan will be paid before the taxes.



6. Responsibilities

6.1 Town Council will:

- 6.1.1 Monitor the implementation and administration of this policy and make any amendments required for the effective and efficient operation of the Program.

6.2 The Chief Administration Officer will:

- 6.2.1 Be responsible for the administration and implementation of this policy and the Program; and
- 6.2.2 Identify necessary amendments to this policy in consultation with Council and managerial staff and make recommendations accordingly to Council.

| <u>CAO's Annotation for Official Policy Book</u> | |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Policy Number: GOV- 20200616 | Date of Notice to Council Members of Intent to Consider (Minimum 7 Days): <u>06 / 28 / 2020</u> |
| Council Approval: <u>2020 / 06 / 16</u> Y M D | Date of Passage of Current Policy: <u>06 / 16 / 2020</u> |
| Effective Date: <u>2020 / 06 / 17</u> Y M D | I certify that this Policy was adopted by Council as indicated above |
| Supersedes Date: <u> / / </u> Y M D | |
|  Chief Administrative Officer | |
|  Date | |



Schedule "A"

Application for COVID-19 Property Tax Financing Program

Residential Property

Civic address of property: _____

Municipal Account Number (as it appears on your tax bill): _____

Name of owner (as it appears on your tax bill): _____

Mailing Address (include civic number): _____

Phone Number: _____

Email Address: _____

I declare that:

- a) I have not received compensation from business interruption insurance toward payment of property taxes in relation to the above property;
- b) The property is not occupied by a daycare centre in receipt of federal or provincial funding or other emergency funding;
- c) The property is not used for a landfill, pipeline, managed forest, or parking, and is not commercial vacant land;
- d) There is no active tax agreement in place with the Municipality with respect to property taxes for the property through legislation or bylaw;
- e) The property is now owned by a non-profit organization that is funded by the Municipality and the property is not partially exempted from property tax; and
- f) The property is not managed under a payment-in-lieu program.

Complete one of I, II or III below

I. Owner-occupied residence

I also declare that:

- a) I reside in the above property;
- b) I have experienced financial hardship due to a significant reduction in income as a result of the State of Emergency declared by the Province of Nova Scotia related to COVID-19; and
- c) I am receiving federal or provincial financial assistance related to COVID-19 OR I was laid off from my employment after March 15, 2020.

Dated this ___ day of _____, 2020.

Signature of owner

Enclose: Documentation (email, letter, payment statement, or other) showing that you are in receipt of federal or provincial financial assistance related to COVID-19 OR enclose a Record of Employment indicating that you were laid-off from your employment after March 15, 2020.

II. Registered tourism operator

I also declare that:

- a) I was a registered Tourism Operator with Tourism Nova Scotia for the 2019 tourist season with respect to the above property;
- b) There is no current agreement in place with the Municipality regarding payment of property taxes;
- c) I have experienced a significant reduction in income from the property as a result of the State of Emergency declared by the Province of Nova Scotia related to COVID-19; and
- d) The property is not used as an AirBnB.

Dated this ___ day of _____, 2020.

Signature of owner

Enclose: Documentation showing registration as a Tourism Operator with Tourism Nova Scotia for the 2019 tourist season.

III. Rental residential property

I also declare that:

- e) I rent the above property to one or more residential tenants;
- f) I have experienced a significant reduction in income from the property as a result of the State of Emergency declared by the Province of Nova Scotia related to COVID-19;
- g) I am the owner of a rental property and that my rental total rental income received for each of April, May and June of 2020 for the same property has proven to have decreased by at least 30% for any two consecutive months as compared to February 2020;
- h) The total taxable 2020 assessed value for the property is equal to or less than \$500,000.00.

Dated this ___ day of _____, 2020.

Signature of owner

Enclose: A signed document that includes the total rental income received applicable for the month of February 2020 for the specific property and the total rental income received for each of April, May and June (if June rent is due prior to making the application) of 2020 for the specific property and the rental income proves to have decreased by at least 30% (thirty percent) for any two consecutive months as compared to February 2020.



Schedule "A"

Application for COVID-19 Property Tax Financing Program

Commercial Property

Civic address of property: _____

Municipal Account Number (as it appears on your tax bill): _____

Name of owner (as it appears on your tax bill): _____

Mailing Address (include civic number): _____

Phone Number: _____

Email Address: _____

I declare that:

- a) I have not received compensation from business interruption insurance toward payment of property taxes in relation to the above property;
- b) The property is not occupied by a daycare centre in receipt of federal or provincial funding or other emergency funding;
- c) The property is not used for a landfill, pipeline, managed forest, or parking, and is not commercial vacant land;
- d) There is no active tax agreement in place with the Municipality with respect to property taxes for the property through legislation or bylaw;
- e) The property is now owned by a non-profit organization that is funded by the Municipality and the property is not partially exempted from property tax; and
- f) The property is not managed under a payment-in-lieu program.

Complete one of I or II below

I. I also declare that:

- a) I have experienced financial hardship through loss of revenue of my business or building located on the property as a result of the State of Emergency declared by the Province of Nova Scotia related to COVID-19;
- b) I have experienced a total business revenue decrease by at least 30% for the period of April and May 2020 as compared to the same period in 2019 operated from the property;
- c) The total taxable 2020 assessed value for the property is equal to or less than \$500,000.00;

Dated this ____ day of _____, 2020.

Signature of owner

Enclose: A signed document that includes the total revenue for the specific business operated from the property for April and May 2019 and the total revenue for April and May of 2020 for the same business and that the total revenue proves to have decreased by at least 30% (thirty percent) from 2019 to 2020.

II. I also declare that:

- a) I have experienced financial hardship through loss of revenue of my business or building located on the property as a result of the State of Emergency declared by the Province of Nova Scotia related to COVID-19;
- b) The total taxable 2020 assessed value for the property is greater than \$500,000.00, but *(choose any of the following that apply)*:

- i. I am a tourism operator registered with the Tourism Accommodations Registration Act and the property is used for tourist accommodations (e.g., hotels, motels, bed and breakfasts);
- ii. I carry on the business of an automotive or leisure/recreational vehicle dealership on the property;
- iii. I use the property as a private or non-profit recreation facility (e.g. golf course, indoor playground, campground, racing venue);
- iv. I carry on a business on the property in the hospitality industry (e.g. bar, café, restaurant, coffee shop);
- v. I carry on a business on the property in the service industry (e.g. hair salon, nail salon, gym, tattoo parlour);
- vi. I carry on a business on the property as a health care provider (e.g. dentist, naturopath, chiropractor, physiotherapist, physician), and that business has been required to reduce hours as a result of the State of Emergency.

Dated this ___ day of _____, 2020.

Signature of owner