



**LABRADORCITY**

# Policy Memorandum

**POLICY SUBJECT:** TAX RECOVERY PLAN 2021  
**DEPARTMENT:** ADMINISTRATION  
**ADOPTED BY COUNCIL:** JUNE 21, 2022  
**POLICY#:** 2.1-3

## A. STATUS OF 2020 OBJECTIVES

The Town of Labrador City was able to recover 97.53% of the 2020 outstanding tax receivable balance by December 31, 2021. Status of 2021 efforts to collect 2020 outstanding tax receivable:

	<u>At Dec 31/20</u>	<u>At Dec 31/21</u>	<u>Increase</u>
Residential Property Tax	95.70%	99.76%	4.06%
Commercial Property Tax	72.16%	94.25%	22.09%
Business Tax	<u>94.27%</u>	<u>98.57%</u>	<u>4.30%</u>
Averages	87.38%	97.53%	10.15%

## B. 2021 OBJECTIVES

The Town of Labrador City's objective is to recover 90% of the outstanding tax receivable by December 31<sup>st</sup> each year.

In order to ensure the availability of sufficient municipal services, it is important that residents and businesses make their payments to Council by April 30<sup>th</sup>, or otherwise be placed on the Town's arrears listing and held subject to the Town's arrears recovery actions as presented in this report.

Under the Government of Newfoundland and Labrador's Community Sustainability Partnership (CSP), the Town must implement and maintain a Tax Recovery Plan and Tax Receivable Summary by establishing objectives, timelines and procedure to recover unpaid taxes from the current and previous years.



## E. TAX RECOVERY – ACTION PLAN

Tax Recovery Process: Property Tax / Water & Sewer Tax / Business Tax

- May 1<sup>st</sup>            Send out notices to all accounts in prior year arrears stating the following:
- This notice indicates that you have municipal taxes past due. Please remit payment at your earliest convenience. Interest is charged on the first day of each month at a rate of .45% per month. Please note your account number with your payment to ensure that the correct account is credited. If payment has already been made, please disregard this notice.
- June 1<sup>st</sup>            Send out notices to all accounts remaining in prior year arrears stating the following:
- As of today's date, your account remains in arrears in the amount of \$xxxx. You are requested to bring your account up to date within 14 days of date of this notice. If you are unable to pay the full amount immediately, a payment schedule must be arranged by contacting the Tax Department at 944-2368/2630 or via email. Failure to respond to the above request by 4:30 pm on June 15<sup>th</sup> will result in receiving an official Water Shut-off Notice (or small claims action for accounts without water service).
- June 16<sup>th</sup>           Send out notices to all accounts remaining in prior year arrears stating the following:
- Your failure to pay your outstanding taxes or respond to any correspondence from the Town of Labrador City will result in your Water Services at address being disconnected at 11:00 am on June 30<sup>th</sup> without further notification to you. To avoid disconnection of your Water Services (or small claims action for accounts without water service), please remit payment of all outstanding taxes, or contact the undersigned to arrange payment schedule by 4:30 pm on June 29<sup>th</sup>.
- June 30<sup>th</sup>           All accounts with water service that have not paid in full or set up a payment schedule will have their water shut-off. Accounts without water service will have a small claims action filed.

## F. ARREARS MONITORING PROCEDURE

The Town Clerk in conjunction with the Tax Clerk will monitor the tax accounts in arrears using Diamond Municipal Solutions.

The following measures will take place to monitor tax receivable accounts:

- Documenting issuances of invoices
- Maintaining receipt of payments
- Maintaining record of accounts payable
- Documenting all recovery actions taken on each account
- Maintaining a report on each tax recovery account
- Identifying accounts requiring a more active recovery approach
- Identify accounts that are in threat of becoming legally uncollectable

#### **G. REPORTING TAX ARREARS ACTIVITY**

##### Council:

The Town Clerk will provide a written report on the status of the tax arrears to Council at an annual Public Council Meeting.

The reporting updates will include:

- Current tax receivable balance
- Status of recovery activity
- Recovery issues that require input or action from Council

##### Department of Municipal Affairs:

The Town will provide a copy of the approved Tax Recovery Plan (TRP) and Tax Receivable Summary (TRS) by June 30<sup>th</sup> of each year to the Department of Municipal Affairs.

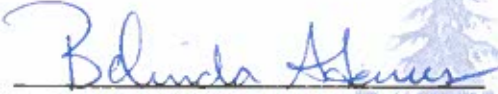
#### **RESOLUTION OF COUNCIL – June 21, 2022**

Be it Resolved the Town Council of Labrador City accepts the Tax Recovery Plan as presented and submitted on June 21, 2022, for the year 2021.

# in Favour: 6; # Opposed: 0; # Abstained: 0

##### **Motion Carried**

  
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 Kim Conway, Town Clerk

  
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 Belinda Adams, Mayor