



Title: Collection Policy	Internal/External: Internal / External
Department(s): Corporate Services	Policy Number: CS-043
Approval Date: March 10, 2026	Implementation Date: March 10, 2026

BACKGROUND

Taxes are a primary source of revenue for municipalities, used to support programs and services. The Town of Paradise recognizes the importance of timely tax collection and is pursuant to the general authorities to collect taxes provided under the [Towns and Local Service Districts Act \(TLSDA\)](#). Other sources of income include government transfers, sales of goods and services, fees, permits, and licenses. Of these revenue streams some sales of goods and services are subject to credit risk.

PURPOSE AND SCOPE

The purpose of this policy is to outline the Town’s approach to collections. This policy pertains to all tax and non-tax accounts.

POLICY STATEMENT

The Town issues tax reminder notices to residents, businesses and non-tax accounts regarding outstanding balances and may take additional action as outlined in the guidelines of this policy to ensure and enforce the timely collection of unpaid accounts.

There are generally no circumstances or exceptions under which taxes, invoices, or accumulated interest are written off or waived. All outstanding amounts must be paid in full, and retroactive discounts are not provided to residents or businesses.

The Town works with account holders who require assistance in meeting financial debts. Some account holders may be eligible for an interest exempt payment plan with the Town as outlined in this policy.

DEFINITIONS

“Arrears” is any portion of an invoice or interest that remains unpaid after the date on which they were due.

“Good standing” refers to an individual's or business's compliance with payment obligations. This status indicates that: all invoices are paid, or payment agreement has been approved, and that there are no outstanding liens or judgments indicating legal action has been taken due to unpaid taxes. For non-tax invoices *“good standing”* refers to adherence to mutually agreed upon payment terms.

GUIDELINES

1. Tax Collection and Payment

- 1.1. Annual tax invoices are sent out in January of each year, and supplemental tax invoices may be issued during the year as updated assessment values are received from the Municipal Assessment Agency (MAA). Taxes are due by the date indicated on all tax invoices.
- 1.2. Taxes that are not paid in full by the due date, are subject to interest. Interest is calculated using a simple interest rate applied on the first of every month as identified in the annual schedule of takes and fees.
- 1.3. The Town offers several payment options for residents and businesses to pay taxes such as preauthorized debit, online banking, mortgage companies, or by debit, cheque, or credit card through a third-party payment service.
- 1.4. Failure to receive a tax bill does not excuse responsibility for paying the bill or paying it on time, nor does it relieve any liability of interest on overdue accounts.
- 1.5. It is the responsibility of taxpayers to ensure the Town is notified of any changes to their personal information including their mailing address.
- 1.6. To avoid interest, taxpayers must ensure sufficient time for payments to reach the Town by the due date.
- 1.7. If a taxpayer believes there has been an error made with regards to their tax invoice or record of payments, they may contact the Town to request an official review. Requests are reviewed where reasonable and any errors identified by the Town are remedied.
- 1.8. Receipts are not automatically generated or provided upon the payment of taxes. Should an individual or business request a receipt, one will be provided. Statements of account are only issued at the taxpayer's request.
- 1.9. Details of currently available tax assistance programs are available on the Town website.

2. Special Tax Payment Plans

- 2.1. Special payment plans or agreed upon arrangements are considered only under extenuating circumstances and must be approved by the Finance Supervisor. The goal of a special payment plan is to help those in arrears bring their accounts up to date and restore good standing with the Town within a reasonable mutually agreed upon timeframe.
- 2.2. If approved, these plans or arrangements include a payment schedule (e.g., pre-authorized payments) and may prevent further interest from being charged if payments are made according to the Town-approved payment plan.

- 2.3. Retroactive interest relief is not provided as a component of special tax payment plans / arrangements.
- 2.4. The minimum payment(s) required in a special payment plan is determined by the Town's Finance Supervisor. Thresholds are set and reviewed regularly by the Town.
- 2.5. Once a payment plan or arrangement is in place, all changes must be approved by the Town's Finance Supervisor.
- 2.6. All special payment plans / arrangements are reviewed regularly to ensure accounts continue to maintain good standing by adhering to the agreed upon payment schedule.
- 2.7. Defaulting on a special payment plan is considered cancellation of the plan.

3. Residential and Commercial Tax Collection Reminders and Action / Enforcement

3.1. Residential and Commercial Tax Payment Reminders

- 3.1.1. Tax Reminder Notices are sent to advise account holders that their tax account with the Town is past due and to request payment.
- 3.1.2. Tax Reminder Notices provide a summary of past due taxes and interest, and state that payment must be made by a specified date to avoid further interest.
- 3.1.3. The Town issues Tax Reminder Notices multiple times throughout the fiscal year.

3.2. Overdue Notices

- 3.2.1. Overdue notices are sent to advise account holders that immediate payment is required on a tax account that has been outstanding for more than 90 days.
- 3.2.2. Overdue notices provide a balance of past due taxes and interest and inform residents that if payment is not received by the date specified, the account will be assigned for further follow-up action, which may result in the disconnection of municipal water services, a tax sale, or reassignment to a third-party collections agency.

3.3. Municipal Water Service Disconnection

- 3.3.1. As per the TLSDA, the Town may, in addition to other remedies to enforce payment, disconnect the service of a water system, sewer system or water and sewer system provided to a person who owes a tax, fee, assessment, fine or charge to the Town.
- 3.3.2. Disconnection of Town water services occurs only after the Town has made unsuccessful attempts to collect unpaid taxes and resolve the overdue tax account.
- 3.3.3. In accordance with the TLSDA the Town shall give the owner of a property 30 days written notice if the Town intends to disconnect services. In advance of the disconnection date

Municipal Water Service Disconnection Notices are delivered to properties in person informing the recipient that the account is now subject to action on a specific date.

3.3.4. Where it is necessary for the purpose of disconnection, an employee or agent of the Town may enter upon property, whether publicly or privately owned, and at reasonable times enter into the buildings or structures on that real property as per the TLSDA.

3.3.5. Disconnection of water services may be avoided by making payments or contacting the Town to establish a special payment plan by the date specified in the disconnection notice.

3.3.6. Taxpayers are responsible for any additional costs incurred due to water service disconnections and will be invoiced accordingly. This payment is due immediately and required before reconnection of services.

3.3.7. If water service to a property is disconnected, it can only be restored if the outstanding tax account balance and the reconnection fee are paid in full or a mutually agreed upon payment plan is established with the property owner.

3.3.8. The Town works to prevent disconnecting water service in winter months.

3.4. Tax Sales

3.4.1. Please refer to the Town's Arrears Sale By-Law (BL-CS-02) for information regarding tax sales.

3.5. Collections Agency

3.5.1. Accounts in arrears are sent to private collection agencies only after the Town has made other unsuccessful attempts to collect unpaid taxes or resolve overdue accounts.

3.5.2. If an account is to be sent to a private agency for collection, the Town first issues a notice to the account holder to inform them that immediate action is being taken. The Town shall give the owner of a property 30 days written notice if the Town intends to take this course of action. Notices are delivered to account holders in person and informs the recipient that the account is now subject to action on a specific date.

3.5.3. Account holders can prevent their account from being sent to a private collections agency by making a payment in full or contacting the Town to establish a payment plan by the date specified in the notice.

3.5.4. If an account holder in arrears makes payments directly to the Town or is approved for a special payment plan, the Town will promptly notify all parties involved to suspend further collection action.

4. Business Tax Collection Reminders and Action / Enforcement

4.1. Business Tax Payment Reminders

4.1.1. Tax Payment Reminder notices are sent to advise businesses that their tax account with the Town is past due and to request payment.

4.1.2. The Town issues Business Tax Reminder Notices multiple times throughout the fiscal year.

4.2. Overdue Notices

4.2.1. Overdue notices are sent to advise businesses that immediate payment is required on their tax account that have been outstanding for more than 90 days.

4.2.2. Overdue notices provide a balance of past due taxes and interest and inform businesses that if payment is not received by the date specified, the account will be assigned for further follow-up action, which may result in the account being sent to a collections agency or other legal action.

4.3. Collections Agency

4.3.1. Business accounts in arrears are sent to private collection agencies only after the Town has made other unsuccessful attempts to collect unpaid taxes or resolve overdue accounts.

4.3.2. If a business account is to be sent to a private agency for collection, the Town first issues a notice to the business to inform them that immediate action is being taken. The Town shall give the owner of a business 30 days written notice if the Town intends to take this course of action. Notices are delivered to business owners in person and inform the recipient that the account is now subject to action on a specific date.

4.3.3. Businesses can prevent their account from being sent to a private collections agency by making a payment in full or contacting the Town to establish a payment plan by the date specified in the notice.

4.3.4. If a business in arrears makes payments directly to the Town or is approved for a special payment plan, the Town will promptly notify all parties involved to suspend further collection action.

5. Non-tax Account Collection Reminders and Action / Enforcement

5.1. Payment Reminders

5.1.1. Payment reminder notices are issued to those with non-tax accounts to inform them that their balance with the Town is overdue and to request prompt payment of the outstanding amount.

5.1.2. Reminders provide a statement of past due amounts, and state that payment must be made by a specified date to avoid further interest.

5.1.3. The Town typically issues these notices multiple times throughout the fiscal year.

5.2. Overdue Notices

5.2.1. Overdue notices are sent to advise those with overdue non-tax accounts that immediate payment is required on their account that has been outstanding for more than 90 days.

5.2.2. Overdue notices include a statement of the amount past due and inform the account holder that if payment is not received, the account will be assigned for further follow-up action, which may result in the account being sent to a collections agency or other legal action.

5.3. Collections Agency

5.3.1. Overdue non-tax accounts are sent to private collection agencies only after the Town has made multiple unsuccessful attempts to collect or resolve overdue accounts.

5.3.2. If a non-tax account is to be sent to a private agency for collection, the Town first issues a notice to inform the account holder that immediate action is being taken. The Town shall give the account holder 30 days written notice if the Town intends to take this course of action. Notices are delivered to account holders in person and inform the recipient that the account is now subject to action on a specific date.

5.3.3. Those with non-tax accounts can prevent their account from being sent to a private collections agency by making a payment in full or contacting the Town to establish a payment plan by the date specified in the notice.

5.3.4. If a non-tax account makes direct payments to the Town or is approved for a special payment plan, the Town will promptly notify all relevant parties to suspend any further collection action.

6. **Adjusting Authority**

6.1. The Town's Department of Corporate Services, Finance Division is authorized to:

6.1.1. The Town will notify account holders of its payment terms and conditions on its invoices and on the Town's website.

6.1.2. Adjust bills and apply credits if it is determined an error has occurred in the issuance of the invoice and will only reverse interest if charges pertain to an error in invoicing, application of payment, or changes in assessment.

6.1.3. Exercise discretion in processing payment plan requests up to and including consideration of interest free payment plans.

6.1.4. Determine and apply the appropriate actions in terms of the Town’s collections efforts outlined for accounts.

6.2. All other waivers, adjustments, or exemptions must be approved by a motion of the Council after a recommendation from the Committee of the Whole.

RESOURCES

- Towns and Local Service Districts Act (TLSDA)
- Town Website: Paying Your Taxes / Payment Options / Programs
- Tax Exemption & Incentive Policy (CS-005)
- Residential Property Tax Assistance Program Policy (CS-041) / Application
- Town Schedule of Taxes and Fees
- Town’s Arrears Sale By-Law (BL-CS-02)

REVISION HISTORY

	Date Adopted	Motion Number
Policy Adopted	March 10, 2026	M26-045

REVIEW OF POLICY

This policy may be subject to review baring new experience or new knowledge.

APPROVAL

DocuSigned by:

 CAO: _____ Date: March 20, 2026 | 1:35:44 PM NDT
BBF7ECEA93B1484...

Signed by:

 Mayor: _____ Date: March 20, 2026 | 3:21:30 PM NDT
9E6151778A474B6...