

**THE CORPORATION OF THE
TOWNSHIP OF EAST ZORRA-TAVISTOCK**

COUNTY OF OXFORD

BY-LAW #2006 – 46

BEING a by-law to implement a “No Interest” Loan Program for Residents that wish to Disconnect from the Municipal Storm Sewer in Tavistock.

WHEREAS the former Village of Tavistock, in the Township of East Zorra-Tavistock, is serviced with municipal storm sewers;

AND WHEREAS the former village has experienced significant rainfall events over the last several years that have overwhelmed the storm sewer system;

AND WHEREAS the Township recommends that residents disconnect from the storm sewer system to provide additional protection to their properties;

AND WHEREAS the Township has been made aware of challenges and difficulties with respect to funding the cost of disconnecting;

AND WHEREAS the Council of the Township of East Zorra-Tavistock considered and adopted a proposal for a Tavistock Storm Sewer Disconnect Loan Program at its September 6, 2006 meeting;

AND WHEREAS the Municipal Act, Sections 391, 396, 398 contains provisions related to imposing fees and adding payments to taxes;

NOW THEREFORE THE COUNCIL OF THE TOWNSHIP OF EAST ZORRA-TAVISTOCK ENACTS AS FOLLOWS:

1. That the “Tavistock Storm Sewer Disconnect Loan Program” as set out in Appendix “A” is hereby adopted.
2. That Council authorize the Chief Administrative Officer to implement the program.
3. That Council authorize the Tax Collector to add the required loan repayment amounts to the tax accounts of residents enrolling in the program.

**READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 20th
DAY OF SEPTEMBER, 2006.**

“Original Signed by Don McKay”

DON MCKAY, MAYOR

seal

“Original Signed by Jeff Carswell”

JEFF CARSWELL, CLERK

Appendix "A"

Tavistock Storm Sewer Disconnect Loan Program

The Township of East Zorra-Tavistock is offering the following program to assist individuals that wish to disconnect from the storm sewer system in Tavistock.

- Interest free loan
- Loan amount is actual amount for storm sewer disconnection costs to a maximum amount of \$2,500 plus applicable lien registration fees
- Repayable over a maximum of 5 years
- Outstanding loan amount can be paid in full at any time.
- Lump sum payments will be accepted outside of regular payments with taxes
- Repayment amounts will be included in property taxes (4 instalments or 10 if on PAP10 Monthly Plan)
- Tax instalments (including the loan amount) that go into arrears will be subject to penalty on the first day of default and interest on a monthly basis thereafter. Loan payment amounts in arrears are treated as taxes for penalty, interest and arrears status.
- Program ceases and payment in full is required on sale of property
- Lien is registered against the property for the loan amount and registration fees (registration fee is added to loan amount, property owner would be responsible to de-register the lien)
- Program applicants must complete an application requesting participation in the program and authorizing the Township to include payments in their taxes
- The Township will pay the loan to:
 - The applicant upon presentation of original invoices and proof the invoices have been paid (invoice stamped paid, cancelled cheque, etc.)
 - Payment amount will be the total of the invoices submitted or \$2,500, whichever is less
 - OR--
 - Directly to the contractor(s) as specified by the applicant
 - If there is more than one contractor, applicant must indicate the amount paid to each contractor
 - Payment amount will be the total of the invoices submitted or \$2,500, whichever is less

- Payment of the loan amount will be made:
 - For complete applications submitted before 4:30 p.m. on Wednesday, payment will be made on Friday by 4:30 p.m.
 - For complete applications submitted after 4:30 p.m. on Wednesday, payment will be made on the following Friday by 4:30 p.m.
- The program will apply to future disconnections or disconnections that have already taken place, if the above conditions for invoices and proof of payment can be met.

Loan Example:

Loan amount = \$2,500

Lien Registration = \$200

Total amount to be repaid = \$2,700

The following amounts will be added to the tax bill for the next five years:

\$2,700/20 = \$135 / tax instalment (4 instalments / year)

\$2,700/50 = \$54 / instalment (10 payments/year – PAP10)

Loan Example with instalment going into arrears:

Loan amount = \$2,500

Lien Registration = \$200

Total amount to be repaid = \$2,700

The following amounts will be added to the tax bill for the next five years:

\$2,700/20 = \$135 / tax instalment (4 instalments / year)

Regular tax instalment = \$700

Plus Loan of \$135 = \$835 total instalment

Instalment is not paid

*Penalty on first day of default is $\$835 * .0125 = \10.44 plus $\$10.44/\text{month}$ until paid.*