

The Corporation of the Township of Gillies



Policy # 14
Tax Collection Policy
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1.0 PURPOSE

The tax billing and collection process is an important activity for the Township of Gillies. This policy will help to:

1. streamline activities and eliminate questions as to the appropriate steps required for billing and collection;
2. set out consistent guidelines with regard to collection of property tax payments;
3. outline the procedures to be followed by Administration; and
4. facilitate conformity to current legislation.

This policy will provide a reference for municipal staff and Council in their communication with taxpayers.

2.0 SCOPE

This policy relates only to the collection of property tax levies, or amounts added to the tax roll to be collected in the same manner as taxes.

3.0 ADMINISTRATION

- 3.1 This policy is administered by the Treasurer, who is responsible to adhere to this policy, and applicable legislation, for collection of outstanding property taxes. In addition, the Treasurer, or designate, shall:
 - a) keep the policy updated so that it is consistent with current legislation;
 - b) train other staff members, as appropriate, on this policy and any revisions to it;
 - c) facilitate the use of this policy in a consistent and equitable manner; and
 - d) undertake the processes set out in this policy.

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- 3.2 The Treasurer shall have the authority to exercise discretion in the application of this policy where unusual circumstances are apparent. The guiding principles for this discretion shall be to meet legislative requirements and protect the best interests of the Municipality while, at the same time, providing fairness to all taxpayers.
- 3.3 At the discretion of the Treasurer, documented procedures may be implemented to provide detailed instructions on specific processes and tasks with respect to property tax billing and collection. These procedures may be updated from time to time to reflect current legislation, continuous improvement objectives or technology changes.
- 3.4 Annually, as a part of the year end reporting process, the Treasurer will provide Council with a summary of the following information:
 - a) the number of properties against which Tax Arrears Certificates have been registered;
 - b) the number of tax extension agreements entered into;
 - c) a Tax Billing and Collection Summary; and
 - d) a Tax Reduction Report (Section 357/358).

4.0 STANDARD TAX BILLINGS

- 4.1 Interim Tax Bills are typically issued the first week of February and will be due and payable in two installments on the due dates specified in the by-law passed annually to provide for an Interim Levy. The installment due dates will be the last business day of the month.
- 4.2 Final Tax Bills are typically issued in the first week of August and will be due and payable in two installments on the due dates specified in the by-law passed annually to authorize the levy and collection of property taxes. The installment due dates will be the last business day of the month.

5.0 SUPPLEMENTARY TAX BILLINGS

- 5.1 The *Assessment Act* allows for taxation of rateable property not included in the annual assessment roll. This is known as the “supplementary roll”.

Omissions: Section 33 allows for the taxation of real property that has been omitted from the roll. This provision allows for taxation in the current year, plus a maximum of two preceding years.

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Additions: Section 34 allows for the taxation of assessment that has increased in value or has been added to the return of the last revised roll. These taxes apply only to the current taxation year.

- 5.2 Supplementary Tax Bills will be issued as follows:
- a) For Supplementary Rolls dated and received before the Final Tax Bill is issued, a Supplementary Bill will be generated within one day of the issuance of the Final Tax Bill.
 - i. For bills \$1000 and less, the bill will be due in one installment and be due the same date as the first installment of the Final Tax Bill.
 - ii. For bills greater than \$1000, the bill will be due in two installments and be due the same dates as the first and second installments of the Final Tax Bill.
 - b) For Supplementary Rolls dated and received after the Final Tax Bill is issued, a Supplementary Bill will be generated no later than 3 weeks after the roll is received.
 - i. For bills \$1000 and less, the bill will be due in one installment at least 21 days after the issuance of the Supplementary Tax Bill.
 - ii. For bills greater than \$1000, the bill will be due in two installments, the first being at least 21 days. The second installment due date shall be the following month and it may fall in the next fiscal year, if necessary.
- 5.3 Supplementary Tax Bills are issued to the current owner of the property at the time the bill is issued.

6.0 CONSENTS AND CONSOLIDATIONS

- 6.1 The owner of land that has been severed or consolidated may apply to the Treasurer to have taxes apportioned.
- 6.2 Upon receipt of an application, and, based on assessment information provided by MPAC, the Treasurer will distribute the taxes from the original property to the newly created properties in proportion to their relative value and date of property registration or date of ownership transfer. Tax bills are issued to the property owners in accordance with the Supplementary Tax Bill section of this policy. Credits to the original property are applied immediately upon the completion of the apportionment.
- 6.3 Late payment charges that have accrued on the tax account of the original property remain with the original property and are not apportioned.

7.0 ACCEPTED PAYMENT METHODS

- 7.1 Tax payments are payable to The Corporation of the Township of Gillies, 1092 Highway 595, Kakabeka Falls, P0T 1W0.
- 7.2 The following payment methods are accepted:
Refer to sections 7.3, 7.4, 7.5, 7.6, and 7.7 for details.
- a) Cash;
 - b) Personal or business cheque;
 - c) Bank draft;
 - d) Money order;
 - e) Internet banking is available through major financial institutions;
 - f) Payments made by a mortgage company or financial institution on behalf of a taxpayer; or
 - g) Credit Card payments made through accepted third-party providers such as Paymentus or PlastiQ (where the taxpayer is responsible for the credit card service fees)

- 7.3 Cash is only accepted in person during regular municipal office hours.
Cash payments are accepted up to \$1,000 within a 24-hour period.

Coins are accepted as follows:

- Up to \$50 in loonies and toonies.
- Up to \$10 in nickels and dimes.
- Rolled coins are not accepted.

For individuals required to pay an account in full to fulfill a tax registration agreement or process, the Treasurer may approve larger cash payments for bills. However, the limitation on coin payments still apply.

- 7.4 Cheques, bank drafts or money orders may be:
- a) delivered in person during regular municipal office hours;
 - b) placed in the after-hours drop-box at the entrance to the municipal office;
 - c) delivered by regular letter mail or courier.

With the exception of post-dated cheques, the date the payment is received in the municipal office will be considered the date of the payment. Payments placed in the after-hours drop-box are considered as having been received the next business day. A post-dated cheque must be received prior to the date written on the cheque to be considered as post-dated.

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Third party cheques are not accepted. A cheque made payable to the property owner and the Municipality is not considered to be a third-party cheque and can be accepted as payment.

7.5 Post dated cheques will be accepted and held until the negotiable date.

7.6 A non-sufficient funds (NSF) charge as set out in the fees and charges by-law will be applied to a tax account for a cheque that is returned as non-negotiable and the unpaid taxes as a result of an NSF shall be subject to a late payment charge if overdue. The NSF fee shall not be subject to penalty and interest. After two NSF payments in a calendar year, the Municipality will no longer accept cheques from the taxpayer.

7.7 Payments must be made in Canadian Funds.

8.0 COLLECTION PROCESS

8.1 Arrears notices for accounts with a balance of greater than \$10 are mailed by at the beginning of the following months: January, May, June, July, November and December.

8.2 For tax accounts approaching two years of arrears, a collection letter will be sent to the property owner(s) by registered letter advising of the tax arrears situation and requesting and/or advising of the following:

- a) Date of Tax Registration eligibility (due date);
- b) Explanation of Tax certificate/sale procedures;
- c) That account must be brought into good standing before the eligibility date;

8.3 If there is no satisfactory payment to the collection letter by the specified date the account will be turned over to an outside company that company will commence tax sale procedures, pursuant to Section XI of the Municipal Act, 2001.

8.4 A letter will then be sent to the property owner stating they have been placed into tax certificate/sale proceedings with notice of the procedures advising that no partial payments will be allowed, only full payments.

9.0 COLLECTION REMEDIES

9.1 Late payment charges for the non-payment of taxes are mandatory. The maximum late payment rate allowed under the Municipal Act shall be applied as follows:

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- a) Penalty: A tax installment payment, or part thereof, which has not been paid by the due date set out in the Tax Bill, is considered to be in default on the last day of the month in which the tax installment was due. A penalty charge shall be applied to the balance of the late payment on the last day of the due date month.
- b) Interest: a tax installment payment, or part thereof, which remains unpaid on the last day of the month following an installment's due date, continues to be in default. An interest charge shall be applied to the balance of the default taxes on the last day of the month following the default and the last day of each month that the default continues.

9.2 Failing successful collection, the Treasurer, at their discretion and dependent upon the specific circumstances of the property and property owner, may use any one or more of the following collection remedies:

- a) Rent attornment – this option will be carefully considered before imposing as it may cause undo hardship on the property owner by making it difficult to meet other expense commitments such as utility payments which will affect the tenants;
- b) Bailiff action;
- c) Small claims court – for outstanding taxes up to the allowed maximum monetary limit;
- d) Collection agency – for prior years outstanding and/or
- e) Tax registration/tax sale.

9.3 A notice, similar to that set out in Section 8.5 of this policy, shall be mailed to the property owner via registered mail prior to the use of the collection remedies.

9.4 The Treasurer may contract with a third party to undertake any of the collection remedies with collection costs incurred added to the subject tax roll for collection.

10.0 LATE PAYMENT CHARGE ADJUSTMENTS

Late payment charges (penalty and interest) are adjusted only in the following circumstances:

- a) Taxes are adjusted under Section 354, 357, or 358 of the *Municipal Act, 2001*.
- b) Taxes are adjusted following an Assessment Review Board Decision;
- c) Taxes are adjusted in accordance with a decision of the Courts;
- d) Taxes are adjusted under Minutes of Settlement or notification of any assessment adjustment from MPAC;
- e) For amounts up to \$200.00, at the discretion of the Treasurer;
- f) For amounts of \$200.01 or more, at the direction of Council;

- g) The interest of penalty was charged as a result of the Municipality's error or omission;

11.0 MAILING ADDRESSES

Any Tax Bill or notice respecting tax collection sent by ordinary mail is considered delivered to and received by the addressee unless the bill or notice is returned by the Post Office or an error in the mailing address is proven. It is the taxpayer's responsibility to notify the Municipality of any mailing address changes. Failure to notify the Municipality of an address change in writing does not constitute an error.

12.0 EXTENSION AGREEMENTS FOR PROPERTIES IN TAX REGISTRATION

An extension agreement must be requested by a person the Treasurer is satisfied has an interest in the land. This request must be done prior to the expiry of the one year period of the registration of the Tax Arrears Certificate. The Clerk/Treasurer has been delegated authority to enter into Tax Extension Agreements on behalf of the Municipality. The Clerk/Treasurer shall give consideration to the taxpayer's ability to pay the arrears in a reasonable amount of time, no longer than 18 months, and in accordance with the taxpayer's financial circumstance, while maintaining the best interests of the Municipality.

13.0 LEGISLATION CHANGES

As legislation is always evolving and changes are frequent, current legislation will take precedence over any section of this policy that becomes obsolete. Every effort will be made to update this policy as substantial changes occur. Specific changes or enhancement to property tax collection may be addressed in the annual By-law to Levy and Collect Municipal Taxes.