

THE CORPORATION OF THE MUNICIPALITY OF GREENSTONE

BY-LAW 23-62

Being a By-law of the Municipality of Greenstone to adopt a Tax Billing and Collection Policy

WHEREAS Section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, grants a municipality the capacity, rights, powers, and privileges of a natural person for the purpose of exercising its authority under the *Act* or any other Act;

AND WHEREAS Subsection 5(3) of the *Municipal Act, 2001* as amended, provides that a municipal power shall be exercised by by-law unless the municipality is specifically authorized to do otherwise;

AND WHEREAS the *Municipal Act, 2001* is the governing legislation that sets out tax billing and collection processes and procedures;

AND WHEREAS Council deems it advisable to enact a By-law to establish a Tax Billing and Collection Policy to provide procedures to staff for guidance and basis for decision making in the fair and equitable billing and collection of realty tax, tax penalty and interest, and amounts added to the tax roll, especially for situations where legislation provides a choice allowing for Treasurer's discretion on issues in which legislation is silent;

NOW THEREFORE The Council of The Corporation of the Municipality of Greenstone **ENACTS AS FOLLOWS:**

1. **THAT** the Council of The Corporation of the Municipality of Greenstone adopts Tax Billing and Collection Policy as per Schedule "A" attached hereto and forming part of this By-law.
2. **THAT** this By-law shall come into force and take effect immediately upon the passing thereof.

PASSED AND ENACTED this 25th day of September 2023



Original signed by K. Miousse

Kristina Miousse, Clerk

Original signed by J. McPherson

James McPherson, Mayor



MUNICIPALITY OF
GREENSTONE

Municipality of Greenstone Policy Manual

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| Subject: Tax Billing and Collection Policy | |
| Number: 23-62 | Section: Corporate Services / Finance |
| Original Effective Date: September 25, 2023 | Last Revised/Approved Date: September 25, 2023 |
| Approval Authority: | |

Purpose:

The purpose of this policy is to provide procedures to staff for guidance and basis for decision making in the fair and equitable billing and collection of realty tax, tax penalty and interest, and amounts added to the tax roll. The guidelines in this policy serve to supplement the provincial legislation that covers this area especially for situations where legislation provides a choice allowing for the Treasurer's discretion and issues on which legislation is silent.

Application:

This policy applies universally to Municipality of Greenstone Council, Staff and Taxpayers, or their agents, with respect to tax billing and collection. It is designed to be implemented in accordance with the governing legislation.

Policy Statement/s:

The Municipality of Greenstone is committed to the establishment of a set of billing and collection practices for tax accounts that are fair and equitable and to ensure consistent processes are followed.

Definitions:

"Assessment" means the assessment for real property made under the Assessment Act according to the last returned assessment roll.

"Cancellation Price" means an amount equal to all the tax arrears owing at any time in respect of land together with all current real property taxes owing, interest and penalties

thereon and all reasonable costs incurred by the Municipality after the treasurer becomes entitled to register a tax arrears certificate.

"Change events" mean assessment changes resulting from: Minutes of settlement resulting from Requests for Reconsideration and Assessment Review Board Appeal Decisions; Section 357/358/359 Application Decisions; Charity Rebates; Assessor's Reports; Post Roll Amended Notices (PRANs); Advisory Notices of Adjustment (ANAs); Severance/Consolidation Apportionments; and, other assessment change documents issued by the Municipal Property Assessment Corporation (MPAC).

"Extension Agreement" is a contract between the Municipality and the registered owner of the property to obtain information for collection purposes and/or collect tax arrears including, but not limited to, title search fees, corporate search fees, registered or certificated mail, administrative charges, legal costs and tax sale costs.

"Municipality" means the Municipality of Greenstone.

"Municipal Tax Sale" is the sale of land for tax arrears according to proceedings prescribed by the Act and Ontario Regulation 181/03.

"Tax or Realty Tax" means taxes which are levied upon the whole of the assessment for real property; and, "Supplementary Tax" means tax calculated as a result of supplementary and/or omitted assessment rolls received during a year from the Municipal Property Assessment Corporation (MPAC)

"Tax Arrears" means any portion of property taxes which remain unpaid after the date on which they are due.

"Tax Collector" means the staff member currently responsible for the billing and collection of property taxes, including but not limited to the Accounting Clerk - Taxation as well as the Manager of Revenue.

"Taxpayer" means a person whose name is shown on the tax roll as a property owner.

Policy:

Tax Billing

Tax Notices and Tax Installments

Upon receipt of the Collector's roll, the Tax Collector is charged with the responsibility of collecting the taxes. The Collector shall prepare two tax notices annually, an interim notice and a final notice for taxpayers in the Municipality. Each notice shall meet all requirements of Section 343 of the *Municipal Act* and state two installment due dates to facilitate a quarterly payment system. The Municipality requires a minimum of twenty-one days between the issuance and the due date. Failure to receive a tax bill will still result in penalty and interest charges being applied if the bill is not paid by the due date.

A levying by-law passed by Council is required in advance of either an interim or final tax billing. Interim and final tax bills will be due and payable in two installments each year and the specific due dates will be identified in both the interim and final by-laws passed by the Municipality.

Alteration of Due Date

The Tax Collector may on occasion find it necessary to alter an installment due date on a tax notice when property has changed ownership and records have not been updated in time for correct mailing. It is the new property owners' responsibility to ensure correct information is provided to the Municipality on a timely basis. The notice may go to the former owner and often be returned to the Municipality with much delay. The installment due date may then be adjusted at the discretion of the Tax Collector to allow the legislated length of time for payment by the new property owner.

Interim Tax Levy

The interim tax levy shall be levied upon all taxable assessments according to the last revised assessment roll and shall be produced based on 50% of the annualized taxes of the property for the previous calendar year.

Final Tax Levy

The final tax levy shall be based on the current year tax rates as set out in the final levying by-law passed by Council and applied to the phased-in assessment value for the current year according to the last revised assessment roll, provided to the Municipality by the Municipal Property Assessment Corporation (MPAC).

Supplementary and Omitted Assessments

Supplementary tax notices will be billed at various times throughout the year as assessment information is received from MPAC (Municipal Property Assessment Corporation). Due dates will be set at the discretion of the Tax Collector with an effort to have them coincide with the regular tax installment due dates. There are two sections of the Assessment Act that allow for taxation of rateable property not included in the annual revised assessment roll:

- Omissions - Section 33 of the *Assessment Act* allows for the taxation of real property that has been omitted from the roll. The provision allows for taxation in the current year, plus a maximum of the two preceding years.
- Additions - Section 34 of the *Assessment Act* allows for the taxation of assessment that has increased in value or has been added after the return of the last revised roll. These taxes apply to the current year only.

Assessment Change Events

Tax credit notices are produced as soon as practicable after receipt of documentation from the Municipal Property Assessment Corporation (MPAC). Applicable credits will be applied to the tax roll and a covering letter mailed to the Taxpayer with a credit notice to indicate that the credit will remain on the tax roll account to carry forward to future

taxation, unless written request is submitted by the property owner to have the credit balance refunded to them.

Mailing Tax Notices

Tax notices shall be mailed or electronically delivered to each ratepayer no later than twenty-one days prior to the first installment due date for interim, final and supplementary notice. Where a mortgage company is required to pay taxes on behalf of the ratepayer the Tax Collector may forward tax notices directly to the mortgage company upon receiving a request from the company.

Maintenance of Records

Ownership, address, assessment and other changes will be made regularly to keep tax records up-to-date to ensure that the Municipality bills the right person for the correct amount and to enable correct reporting. It is the new owner's responsibility to provide this information to the Municipality on a timely basis.

Options for Payment of Taxes

Taxes are payable to the Municipality of Greenstone as follows:

1. In person at the Geraldton, Longlac, Beardmore or Nakina Municipal offices during office hours. Payment methods accepted include cheque, cash or debit payments.
2. Mailing cheque payment directly to the Municipal office.
3. Payment by telephone or internet banking.
4. Payment at a recognized bank or trust company.
5. Credit Card online through a third-party online payment provider as approved by the Treasurer. The payment provider may charge a processing fee for credit card transactions.
6. One of the three offered Pre-Authorized payment plans offered by the Municipality.
 - a. Monthly Pre-Authorized Payment Plan: One twelfth of the amount of the Taxpayer's previous year's annualized taxes will be automatically withdrawn on the last banking day of each month from January through June. A letter indicating this amount will be mailed in early January of each year. In July, when the Annual tax amount for the current year is levied, the monthly payment amount will be recalculated and a letter mailed to Taxpayers indicating the updated amount. This amount will be withdrawn on the last banking day from July through December.
 - b. Due-Date Pre-Authorized Payment Plan: On each due date, four times a year, the tax installment will be automatically withdrawn from the Taxpayer's bank accounts.
 - c. Semi-Annual Pre-authorized payment plan: On the first instalment due date of each tax bill, the total amount of each bill (first and second instalment inclusively) will be withdrawn from the Taxpayer's bank accounts for a total of two withdrawals a year.

Ratepayers enrolled in one of the above three Pre-Authorized payment plans offered through the Municipality will not be charged penalty or interest.

Payment Application

Tax payments will be applied in accordance with Section 347 of the *Municipal Act*. More specifically, when applicable, the payment shall first be applied against late payment charges (penalty/interest) owing in respect of those taxes according to the length of time the charges have been owing, with the charges imposed earlier being discharged before charges imposed later. Then the payment will be applied against the taxes owing according to the length of time they have been owing, with the taxes imposed earlier being discharged before taxes imposed later.

Penalty and Interest Charges

In the event of default of payment of installments by the due date a penalty at the rate of 1.25% shall be imposed on the first day of default following a due date and interest shall be charged at a rate of 1.25% on the first day of each month thereafter on the balance of unpaid taxes in accordance with the Municipality's Interim and Annual tax by-laws.

If paying by mail, telephone banking, at a recognized bank or trust company or online the taxpayer assumes responsibility for late arrival.

A request for relief of penalty will be first considered by the Tax Collector. A penalty charge as a result of an error made by the Municipality shall be credited back to the ratepayer equal to the amount of the charge. All other requests for relief of penalty must be in writing to the Treasurer, who shall make a recommendation to Council.

The amount of penalty charges imposed will be in accordance with legislative requirements.

Returned Cheques

In the event a cheque is returned from the bank, i.e. "Insufficient Funds", "Closed Account" or "Stale dated", the ratepayer shall pay applicable late payment penalty and interest charges and an additional fee designated by Municipal by-law.

In the event a cheque is returned from the bank "Post-dated" no charges will be made.

Request for Tax Information

A Tax Certificate will be issued by the Tax Collector or assigned staff upon request and upon payment of the fee designated by Municipal by-law.

The Tax Collector or assigned staff will only respond to verbal requests for tax information from the owners of the property or a mortgage company responsible for payment of taxes.

The Tax Collector will give information as required and with regard to the Freedom of Information and Privacy legislation.

School Board Support

Section 311 (13) of the *Municipal Act* states that the Municipality is required to pay the designated school boards the amounts owing in relation to the Education levy on a quarterly basis, even if the funds have not been collected by the Municipality for the individual property tax accounts.

Collection of Tax Arrears

Notices Sent to Taxpayers

Notice of Property Tax Arrears will be mailed to taxpayers in default of payment in the month following the second and fourth instalment due date, two times a year. Additional notices may be sent at the discretion of the Treasurer. Additionally, both interim and final tax bills will show past due balances in the summary section of the Tax Bill.

Notices Sent to Interested Parties

The Municipality may search the title to the property to determine interested parties to property (i.e. mortgagees) and contact them to advise the tax arrears status of the property. A title search fee to cover the cost of the search will be added to the tax roll account in accordance with the Municipality's Fee's and Charges by-law.

Recovery of Arrears Through Payment Plan

Part payment of installments will be accepted by the Tax Collector when necessary to assist taxpayers in the payment of their accounts. A monthly payment system can be arranged to ease the burden. Penalties and interest will continue to accrue during the payment arrangement until full payment on the account has been made.

Recovery of Arrears Through Monies Owed to Taxpayer

If the Municipality of Greenstone is holding any monies owing to the customer, such as accounts payable cheques, tax adjustments, refunds or rebates, these amounts will be applied to the customer's tax arrears, with notification to the taxpayer.

Bailiff Action

Under Section 349 of the *Municipal Act*, the Municipality may recover taxes with costs as a debt due to the Municipality from the Taxpayer originally assessed for them and from any subsequent owner of the assessed land or any part of it. The Municipality may issue a warrant to distrain for property taxes if the taxes remain unpaid for a period of fourteen days after the installment due date. Bailiffs will be used where there is the potential that the recovery of tax arrears by the other methods would not cover the outstanding taxes or where other methods are prohibited due to overriding legislation.

Seize other assets:

The Municipality may seize other assets, however this action will be limited as there is no guarantee of legal cost recovery.

Collection Agency:

Under Section 304 of the *Municipal Act*, if the Municipality has engaged a Collection Agency, the collection agency may recover its costs as long as the costs do not exceed the amount approved by the Municipality.

A letter informing property owners of the potential of their account being transferred to a collection agency will be sent in advance of doing so. The letter will indicate a deadline, by which payment or arrangements suitable to the Tax Collector are made.

Collection through Tax Registration/Tax Sale Procedures

Tax Registration

Arrears of two years may be subject to the Tax Registration process commencing on the first day of the following year. Each year, the Municipality will review its property tax aged ledger summary for individual property tax accounts that are at 2 years or more in arrears. If acceptable payment arrangements are not negotiated, then the Municipality may select properties that meet legislated criteria to be subject to the municipal tax sale process.

A letter informing property owners of potential tax registration will be sent in advance of initiating the procedures. The letter will indicate a deadline, not less than twenty-one days after the date of the letter by which payment or arrangements suitable to the Tax Collector are made.

Once tax registration procedures commence, the property owner or interested party has one year from the date of registration in which to redeem the property by paying the 'Cancellation Price' which includes all taxes, penalty and interest outstanding, including all associated legal and administration fees and costs.

The Municipality's solicitor or a contracted tax registration firm may be used to process the required statutory notices/declarations.

Fees will be added to the account as established by Municipal by-law from time to time, throughout the tax registration process to cover all costs associated with registration of the property.

Extension Agreement

A taxpayer in Tax Registration may request an Extension Agreement, which will extend the period of time in which the balance outstanding is to be paid. The Tax Collector may enter into an agreement with the Owner before the property is registered. After the property is registered, the Treasurer must approve the request within one year of the date that the property was registered for Tax Sale. Extension agreements are subject to terms and conditions set out in the agreement and are established on a property by property basis using the following guidelines:

- Maximum term of the agreement is 12 months to clear all outstanding balances, unless in extenuating circumstances an alternate agreement may be reviewed and approved by the Treasurer; and
- Monthly payment(s) required over term of extension agreement.

In the event of default, a registered letter will notify the taxpayer as such, and the agreement is thereby terminated, putting the property in the same position in Tax Registration and Sale proceedings as it was prior to entering into the Extension Agreement.

Tax Sale

Properties that meet one of the following criteria may be advertised for Tax Sale:

- Tax arrears are not paid in full within one year of the date of registration; or
- Taxpayer has defaulted on an Extension Agreement.

The *Municipal Act* provides that the property may then be sold by sealed tender, or public auction. The Municipality's preference is by sealed tender. Tenders are opened in an open forum, recorded as received, and then reviewed to ensure completeness of the tenders submitted.

Successful Purchaser

The highest tenderer or two highest tenderers, if more than one is received, is retained. The minimum acceptable bid is the cancellation price. Notice is sent to the highest bidder requesting payment of the balance of the amount tendered, applicable land transfer tax, and accumulated taxes to date. All tax sale costs are added to the individual property tax account balance. Payment must be received from the highest bidder within 14 days from the date of the notices of highest bidder being mailed by the treasurer. Upon receipt, the treasurer shall issue a receipt and declare the highest bidder to be the successful purchaser. If no payment is received within 14 calendar days of the mailing of the notice, the deposit is forfeited to the Municipality. A notice is then sent to the second highest bidder and the process repeats.

Vesting

Where there is no successful purchaser, all risks of taking possession of the property may be identified, including any Crown Liens or environmental issues, after which time a notice of vesting may be issued and the property is registered in the name of the Municipality and the Tax Sale proceedings are cancelled. Council has two years to decide whether to vest a property. The *Municipal Act* allows for inspection of the property including an environmental assessment. Council may alternatively choose to re-advertise the property for another tender within 2 years.

Tax Write-offs / Write-downs

If Council decides to vest the property, the tax arrears will be written off completely and the property may be declared surplus and advertised for sale.

Following an unsuccessful tax sale, if Council decides not to vest, they may choose to write off part of the taxes with the purpose of re-advertising the property for tax sale in an attempt to better the odds of a successful tax sale.

Legislative Requirements:

The Assessment Act

The Municipal Act, 2001