



THE CORPORATION OF THE TOWNSHIP OF PICKLE LAKE

BY-LAW NO. 2017-21

BEING A BY-LAW TO ADOPT
A TAX BILLING AND COLLECTION POLICY
FOR THE TOWNSHIP OF PICKLE LAKE

WHEREAS The Municipal Act, 2001 is the governing legislation that sets out Tax billing and collection processes and procedures;

NOW THEREFORE, The council of the Corporation of the Township of Pickle Lake enacts as follows:

1. **THAT** the Tax Billing and Collection Policy For the Township of Pickle Lake form Schedule 'A' to this By-Law;
2. **THAT** this policy will provide guidance to both Council and Staff and will provide a basis for decisions relating to tax billing and collection procedures for all ratepayers in the Township;
3. **THAT** this policy is designed to be implemented in accordance with the governing legislation. Should there be incongruences between the Policy and the Governing Legislature, the provisions of the Governing Legislature will prevail; and
4. **THAT** this by-law comes into force and takes effect as of passing.

BE READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS

23rd day of May, 2017.


Karl Hopf, Mayor


Jamie Thiessen, Deputy Clerk-treasurer



Schedule 'A' to By-Law 2017-21

Tax Billing and Collection Policy For the Township of Pickle Lake

PURPOSE:

To establish a policy that provides guidance to staff for effective and efficient collection of property taxes and to ensure that all taxpayers are treated fairly and equitably with respect to collection of their property taxes.

POLICY STATEMENT:

The guidelines contained in this policy serve to supplement the provincial legislation that governs this area, especially for situations where a choice is provided allowing for the Clerk Treasurer's discretion, and for issues where the legislation is quiet. Legislation which should be reviewed within the context of this policy is the Municipal Act, 2001, with particular attention to Parts VIII, IX, X, and XI. Therefore, Council for the Corporation for the Township of Pickle Lake wishes to ensure that collection procedures are appropriate within the requirements of the legislation relative to tax collection.

SCOPE:

The scope of this document is intended to cover only the aspects of "collection" of property taxes and any amounts added as taxes for collection. The document will not incorporate "billing" policies as these are covered annually with the Interim Billing and Final Billing Collection By-Laws as well as under the Municipal Act, 2001.

ACCOUNTABILITY:

The Clerk - Treasurer and Deputy Clerk -Treasurer are responsible to ensure that outstanding Property Tax collection processes are performed in accordance with this policy and all applicable legislation. In addition the Clerk-Treasurer and Deputy Clerk-Treasurer are responsible to:

- Ensure this policy remains consistent with current legislation;
- Ensure applicable staff are aware of and trained on this policy;
- Communicate any policy revisions to applicable staff; and
- Assess overdue Property Tax accounts to ensure tax collection processes are performed in accordance with this policy.

DEFINITIONS:

Municipal Tax Sale- means the sale of land for Tax Arrears according to the proceedings prescribed under the Municipal Tax Sales Act and Ontario Regulation 181/03.

Penalties and Interest- means amounts applied by the municipality to unpaid Property Tax Accounts, in accordance with Section 345 of the Municipal Act, 2001.

Property Taxes- means the total amount of taxes for municipal, county and school board purposes levied on a property and includes other amounts added to the tax roll as may be permitted by applicable Provincial Legislation.

Tax Arrears- means any portion of Property Taxes that remain unpaid after the date on which they are due.

INTEREST AND PENALTY CHARGES:

In accordance with Section 345 of the Municipal Act, 2001, Interest at a rate of 1.25% per month is added to previous years' arrears and Penalty at a rate of 1.25% may be added to overdue taxes for each month or portion thereof, but interest may not accrue until the first day of default.

Penalty and Interest charges are adjusted only in accordance with the following situations:

- Tax Adjustments made under section 357/358 of the Municipal Act, 2001;
- Assessment Review Board Decisions;
- Payments that have been received before month end but have not been processed through the tax system prior to penalty and interest being added;
- Approved by the Clerk-Treasurer or Deputy Clerk-Treasurer as a gross or manifest clerical error.

PAYMENTS:

Payment of taxes must be received in the Municipality's administrative office, or be post marked, on or before the due date. Payments not received on time are subject to Penalties and Interest. The following are the modes of payments available for the property owner's use:

- Telephone- using the roll number as the account number, Municipal Administration is able to process credit card payments over the phone and mail or email copies of the receipt to the property owner.
- Post Dated Cheques
- In Person- at the counter by cash, cheques, debit/credit card or money order
- Payments by a mortgage holder
- By Mail
- Receipts will be provided for all payments upon request by the registered owner for all methods of payment. To registered owners whose payments are made on their behalf by a mortgage company, the receipted tax billing will be sent to the registered owner once payment has been received.
- In Accordance with the Municipal Act, 2001 Section 347 payments shall be applied as follows:
 - First to the oldest to the current of all taxes
 - Oldest to current of all interest and penalty charges
 - Then to other charges that have been added to the roll (if any)

RETURNED PAYMENTS:

Payments that are returned by the bank marked "insufficient funds or non-sufficient funds" will be subject to the NSF fee of \$40.00 plus applicable bank fees as set out under the Township of Pickle Lake Fee schedule By-Law 2017-20.

TAX ARREARS COLLECTION:

Realty taxes are a secured special lien on land in priority to any other claim (except a claim by the Crown). Taxes may be recovered (with costs) as debt to the Municipality from the registered owner and / or any subsequent owner of the property.

The municipality will primarily use the following methods to collect Tax Arrears;

- Monthly Tax Arrears Statements;
- Verbal Communications;
- Sending a personalized reminder letter to those approaching two years in arrears;
- Sending a personalized reminder letter to those approaching three years in arrears;
- Arranging a satisfactory term of payment that significantly reduces the previous and current taxes;
- Legal Action
- Municipal Tax Sale Proceedings

To remind property owners that their tax account is not in good standing the Clerk-Treasurer shall send a reminder notice to each property owner, whose account is passed due and also in arrears of five dollars (\$5.00). This shall take place at the beginning of each month following the addition of the monthly Penalty and Interest charges.

At least once per year the municipality shall review its Property Tax Aged Trial Balance for owners whose taxes are approaching two (2) and three (3) years in arrears. A personalized reminder letter will be sent to the affected property owners providing them with their options and giving them the opportunity to bring their account into good standing. If the letter is a final notice, a deadline will be given and no further notices will be sent after that date has passed.

Payment arrangements may be entered into by the Clerk-Treasurer or the Deputy Clerk-Treasurer, with a property owner who is in tax arrears, prior to the file being forwarded to a third party to commence proceedings under the Municipal Tax Sales Act. However, payment arrangements must include all tax arrears, current taxes, as well as Penalties and Interest and be sufficient to ensure payment in full is realized within a reasonable period of time. Penalties and Interest will continue to accrue during all such payment arrangements until full payment on the account has been made.

If acceptable payment arrangements are negotiated, the account will be monitored for compliance. If there are two consecutive missed payments, or two payments are returned within six months, the payment arrangement will be deemed void and the taxpayer will be advised that payment in full, by certified cheque or money order, is required or the account will be sent to a third party to commence the Tax Sale Proceedings.

Maximum Negotiable Payment Arrangement Term

Staff Level for Authorization	Residential	Non-Residential
Clerk Treasurer or Deputy	18 Month	12 Months

TAX SALE REGISTRATION/TAX SALE:

Properties that are in arrears for three (3) years are eligible for tax registration under the *Municipal Tax Sales Act*. The property owner or interested party has one year from the date of registration in which to redeem the property got all taxes, outstanding interest and penalty, including any associated costs. A contracted tax registration firm may be used to process the required statutory notices/declarations. The Town administration fee associated with this process is in addition to charges by the third party firm completing the required notices/declarations, and are defined in the Fee By-law.

In October (or close to) of each year, arrears letters shall be sent to each property which will be in third year arrears on the first day of January in the following year. The Letters will advise of Tax Sale proceedings should the taxes remain unpaid. Registered letters will be sent in January, to any who have not responded to the arrears letters.

Priority of tax accounts for collection is:

- Tax accounts with three (3) or more previous years outstanding**
- Tax accounts with two (2) previous years outstanding**
- Tax accounts with one (1) year previous outstanding**
- Tax accounts with current year only outstanding**

A collection letter shall be sent to the property owner prior to the use of any means of collection according the *Municipal Tax Sales Act*.

MUNICIPAL TAX SALE PROCEEDINGS:

If acceptable payment arrangements are not negotiated prior to the deadline date provided in the Final Notice, then all properties in excess of three (3) years in arrears shall be subject to the Municipal Tax Sale Process.

The Township of Pickle Lake will engage a third party to carry out the Tax Sale Process as outlined in the Municipal Tax Sales Act.

If a Tax Sale has been registered against a property under the Municipal Tax Sales Act, no partial payments can be accepted by the Municipality. A payment in full of all outstanding property taxes of three (3) years is required to bring the property out of tax sale. Payment of the Cancellation Price will include all and any fees incurred by the Municipality during the collection process.

Failure to provide payment in full within 280 days of the registration of the Tax Arrears Certificate will result in the property being advertised for public sale.

MISCELLANEOUS:

From time to time property tax accounts may experience credit balances for various reasons such as reduction in assessment, tax class change, duplicate payment or payment error. Credit Balances may be refunded as long as the owner makes a request in writing and as long as all instalments billed have been cleared.

If an owner of a property fails to notify the municipality of a change of address, resulting in the return of their mail, no further action will be taken by the Municipality to locate the whereabouts of the owner.