
Title: Tax Collection and Billing Policy

Department/Division: Corporate Services

Purpose:

1. The City of Owen Sound recognizes the importance of having a written billing and collection policy for tax accounts, incorporating good and acceptable business practices and efficiencies, which are consistent and fair to its customers and the Municipality.

Scope:

2. The Tax Collection and Billing policy applies to all customers within the geographic boundaries of the Municipality. Municipal staff assigned to the administration and collection of tax accounts shall adhere to the policy and procedures detailed below.

Definitions:

3. For the purposes of this policy:
"Extension Agreement" means a contract between the Municipality and the owner, spouse of the owner, a mortgagee or a tenant in occupation to extend the period of time in which the Cancellation Price is to be paid. The contract is entered into after the registration of a Tax Arrears Certificate and before the expiry of the one-year period following the registration date.
"Property Taxes" means the total amount of taxes for Municipal, County and School purposes levied on a property and includes other amounts added to the tax roll as may be permitted by applicable Provincial legislation, including but not limited to outstanding fines under the Provincial Offences Act, fees and charges authorized under the Building Code Act; and fees and charges related to fire department false alarms and calls to illegal burns.
"Receipt Date" means the date the Municipality received the money.

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

“Tax Arrears Certificate means a document that is registered on title, indicating the described property will be sold by public sale if all Property Taxes are not paid to the Municipality within one year of the registration of the certificate.

Roles & Responsibilities:

4. Municipal staff assigned to the administration and collection of tax accounts shall adhere to the policy and procedures detailed below

Policy:

5. Tax Notices and Tax Instalments

Upon receipt of the Collector’s roll, the 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 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.

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Alteration of Due Date

The Tax Collector may on occasion find it necessary to alter an instalment 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 instalment 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 not more than the maximum allowable by statute or regulation.

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 all properties according to the last revised assessment roll.

Local Improvement Charges and Special Area Rates

Where local improvement charges are to be placed on the tax notice they may be placed on either the interim or final notice determined by the Treasurer and the Tax Collector. Local improvements shall include tile and municipal drainage loan payments as well as tile and municipal drain one-time charges; garbage bin collection fee and other similar charges. When such charges are placed on the tax notices they become part of the total taxes due and shall be collected in like manner as property taxes.

Special area rates will be levied on interim and final notices as set out in the Interim and Final Tax Levy above.

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Supplementary Tax Notices

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.

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.

Payment of Taxes

Taxes are payable as follows:

1. Mailing cheque payment directly to the Municipal office.
2. Cheque payment at the Municipal office during regular office hours or using the drop box.
3. Cash or debit payment at the Municipal office during regular office hours.
4. Payment by telephone or internet banking.
5. Payment at a recognized bank or trust company.
6. One of the three offered Pre-Authorized payment plans offered by the Municipality.

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Ratepayers shall be advised of methods of payment with each tax notice.

The receipt date will be the official date of payment.

Part payment of instalments 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 of four large tax payments per year. Penalty charges will still apply on any outstanding balances.

Penalty and Interest Charges

In the event of default of payment of installments by the due date a penalty charge shall be imposed on the first day of default following a due date and the first day of every calendar month thereafter until paid.

The Treasurer has the authority to waive or alter penalty and/or interest charges if the outstanding amount does not exceed \$50.00. If a credit on a tax account does not exceed \$5.00, the Tax Collector can adjust the account to a zero balance.

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.

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Returned Cheques

In the event a cheque is returned from the bank, i.e. "Insufficient Funds", "Closed Account" or "Staledated", 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 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 taxes.

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

Tax Reminder Notice

Taxes are considered in arrears after the due date for the interim and final tax bills. Notices will be sent every other month by mail or electronic means, with a detailed summary until such time as all the taxes are paid in full.

In the event of an arrears notice and additional fee designated by Municipal by-law will be added.

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Recovery of Arrears Through Monies Owed to Taxpayer

If the City of Owen Sound 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.

Collection of Tenants Rent (Landlord in Tax Arrears)

After the taxes have been in arrears for one year, a notice may be sent to the landlord informing him of the Municipality's intention to collect the rent. This will allow the landlord the opportunity to make payment arrangements with the Tax Collector. If within fourteen days of sending the notice no reply is received, the Municipality will inform the tenants to pay the rent directly to the Municipality until all interest, penalty and taxes have been collected. Under section 350(1) of the Municipal Act, the Municipality may give a tenant notice, in writing, requiring the tenant to pay the rent as it becomes due until taxes are paid.

Tax Registration

Arrears of two years may be subject to the Tax Registration process commencing on the first day of the following year. The Tax Collector authorizes accounts with two years arrears to be registered for Tax Registration and Sale proceeding.

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 and 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

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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; 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 will 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.

Successful Purchaser

Where there is a successful purchaser, property will be transferred to the name of the successful bidder.

Vesting

Where there is no successful purchaser, all risks of taking possession of the property are identified, including any Crown Liens or environmental issues,

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after which time the property is registered in the name of the Municipality and the Tax Sale proceedings are cancelled.

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.

Related Policies & Legislation:

- 6. *Municipal Act, 2001*

Appendices:

- 7. Pre-authorized Payment Plan Application

Revision History:

By-law Number	Date
2018-126	August 13, 2018