



CORPORATE POLICY

POLICY NO. 03-03-01	DEPARTMENT Finance
SUBJECT Property Tax and Collection Policy and Procedures	EFFECTIVE DATE April 26, 2010
APPROVED BY Resolution No. 117-2010	PAGES 1 OF 4
REPLACING/AMENDING NEW	DATE April 21, 2010

1.0 POLICY

The responsibilities of the Treasury Department are to:

- 1) Ensure proper billing for the levy for Local, and Educational Taxation purposes to coincide with budgetary and legislative requirements for the year;
- 2) Provide prompt, efficient and courteous service to the taxpayers of the Municipality;
- 3) Ensure the proper collection procedures are applied in reference to the following legislation;
 - The Municipal Act
 - The Municipal Affairs Act
 - Municipal By-Laws
 - Any legislation governing amounts to be collected in like (same) manner as taxes
 - Assessment Act
 - Any new legislation pertaining to this area
- 4) Apply such collection policies in a consistent manner ensuring all taxpayers are treated in the same manner
- 5) Maximize necessary controls to ensure proper allocation of payment and custody of funds for proper banking and recording procedures.

2.0 POLICY PROCEDURES

The purpose of the Treasury Department is to provide prompt billing of the levy and to ensure collection in order to meet the budgetary expenditures for the fiscal year. It is important that both the timing and consistency with which we initiate and treat each account is correct.

3.0 GENERAL

Mailings

The Municipal Act, Section 343 (1) requires tax billings be post marked and mailed not later than twenty one calendar days from the date of the first installment due date. The Municipality will endeavor to post mark and mail the tax billing no less than thirty calendar days prior to the first installment due date

where ever possible. Penalties and interest are applied in advance to outstanding tax balances to accommodate the latter mailing parameters.

4.0 TAX PROCEDURES

1. Interim Tax Notices are sent in February and Final Tax Notices are sent in August. Tax arrears owing at the time of the billing are included on each tax notice. Variances of notices for Commercial, Industrial, and Multi-Residential properties may occur, but will be issued as similar as possible.
2. Penalty and interest are charged according to Municipal By-Laws (penalty-first day of default of an installment and interest the first day of each month thereafter for the current year, interest is charge on the first day of each month for all arrears at the prevailing rate.)
3. Each year when the returned assessment roll is received, review the assessments and make note of any large changes (i.e.: large increases, missing rolls).
4. While going through the assessment roll, look for properties coded Residential no Support and contact MPAC immediately to advise them. (These properties should not be coded as residential no support; the rules say that they would automatically go to EP).
5. Review tax legislation changes with regards to taxation.
6. Prepare interim tax levy by-law for council approval at January council meeting.
(Treasurer or designate)
7. Identify OPTA cut-off options and prepare required paperwork to be submitted to OPTA. (Treasurer or designate)
8. Prior to preparing the interim tax bills, balance the assessment on the tax system to the assessment in the roll.
9. Go through the step by step process to prepare the tax bills, ensuring rates are input correctly and random sampling of calculated bills are correct.
10. Distribute tax bills for municipal property to Accounts Payable or alternately write-off bills for municipal property as required.
11. On the month following the tax due date, send tax arrears notices to all those that are not yet paid. Along with the tax arrears notice, a letter should be sent with the first arrears notice only. (i.e.: due date March 31, process penalties/ interest on April 1 and then prepare arrears notices and send.) (Letter #1)
Send monthly notices for all arrears until the final tax bill goes out.
12. Ensure quarterly education remittances are paid to each school board.
(March 31, June 30, Sept. 30, December 15)

13. Prepare final levy by-law along with setting tax rates, ratios, capping parameters for approval by council (Treasurer or designate)
14. Order capping CD from OPTA (Treasurer or designate)
15. Prior to preparing the final tax bills, balance the assessment on the tax system to the assessment in the roll.
16. Go through the step by step process to prepare the final tax bills, ensuring that rates are input correctly, calculations are correct and capping is applied correctly.
17. Prepare documentation required for Provincial and Federal Government for all PIL's. Prepare invoices for Railways, Hospital, and any other such agencies.
18. On the month following the tax due date, send tax arrears notices to all those that are not yet paid. (i.e.: due date August 31, process penalties/interest on September 1 and then prepare arrears notices and send.)
Send monthly notices for all arrears until the end of the year.
19. Prepare ARB's, Minutes of Settlement etc. for processing and process as soon as possible after final tax bills are out.
20. Prepare 357/8 applications for approval by council. Once approved, adjust taxes accordingly and advise OPTA as required.
21. Prepare a spreadsheet for each category of adjustments - broken down by type of adjustment then class of property, dollars, and school board breakdown
Balance the spreadsheet of adjustments to the appropriate GL accounts.
22. Follow up with Provincial and Federal Government for PIL's.
23. In October each year prepare letters to accompany tax arrears notices for properties that will be 3 years or more in arrears as of December 31 if not paid advising that the property will be eligible for registration if it isn't paid and briefly describing the effects of the tax sale process. (Letter #2)
24. On tenanted property, after taxes have been in arrears for one year, a notice will be sent to the landlord informing him of the Municipality's intention to collect the rent. This will allow the landlord an opportunity to make payment arrangements with the Deputy-Treasurer/Treasurer. If within 14 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, penalties and taxes have been collected. (Letter #3)
25. 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 the taxes are paid. (Letter #4)

26. Keep a separate spreadsheet of all PIL's, amounts levied, amounts paid and year-end balance (by property). (sample worksheet)
27. Prepare a spreadsheet depicting the Levy (Class, Assessment x Rate = Levy) balance it to the levy accounts in the GL. (by Class) (see worksheet)
28. Early each year, make a list of those who received letters in step 23 who are now 3 years in arrears and start the tax sale process.
29. Prepare a spreadsheet of municipally owned properties that have an assessment applied to them, keep it up to date so we know exactly what properties we need to arrange to pay taxes on.
30. Satisfactory payment arrangements would be a series of post-dated cheques or other arrangements that are satisfactory to the Treasurer. Penalty/Interest will accrue during such period and are payable during or upon completion of payment arrangements.
31. It is policy of the Municipality that upon applications for items such as but not limited to: building permits, zoning, committee of adjustment, and planning applications that all property taxes owing against the property are up to date or have satisfactory payment arrangements on file. Failing such, applications will not be processed until taxes are current or satisfactory arrangements have been made.
32. All costs incurred for collection to obtain information and/or collect tax arrears are payable by the property owner and are added to the tax account. These costs may include, but are not limited to:
 - All title search fees
 - all corporate search fees
 - registered mail
 - administrative charges
 - legal fees

NOTES:

1. The Treasurer must approve all arrangements for payment.
2. All conversations, memos, write-offs and requests must be clearly documented.
3. All collection letters must be personally signed.