

CORPORATE POLICY

POLICY NO. 03-05-01	DEPARTMENT Finance
SUBJECT Pre-Authorized Debit Plan Terms and Conditions	EFFECTIVE DATE November 1, 2017
APPROVED BY Res No. 274-2017	PAGES 4
REPLACING/AMENDING NEW	DATE August 21, 2017

1. **Policy:**

The objectives of this policy are to set out the terms and conditions of the Municipality's Pre-Authorized Debit (PAD) Plan for payment of property taxes and to ensure compliance with the Canadian Payments Association (CPA) rules for the processing of PADs.

The Pre-Authorized Debit Plan shall commence in January 2018 with enrollment in the program beginning November 1, 2017.

2. **Definitions:**

“**Business Day**” means a day other than a Saturday, Sunday or public holiday and on which banks are open for business in Ontario.

“**Withdrawal Date**” means the 25th day or next Business Day.

3. **Eligibility:**

1. Pre-authorized debit is eligible for payment of property taxes only.
2. Property owner's tax account must be current and in good standing for enrollment in installment or monthly plans options.
3. Accounts where the property taxes are paid by a mortgage company are not eligible for enrollment.
4. Pre-authorized debits to be drawn only on Canadian financial institutions in Canadian funds.

4. **Enrollment:**

1. The property owner must complete and sign a Pre-Authorized Debit (PAD) Agreement indicating choice of Plan based on eligibility.
2. Should more than one signature be required on cheques issues against the account, all signatories must sign the application.
3. The property owner certifies that his or her bank account is in good standing with sufficient funds to cover pre-authorized payments as they become due on the Withdrawal Date.

4. A VOID cheque must be attached to the enrollment form.
5. There are no enrollment fees.
6. A separate enrollment form must be completed for each property.
7. Enrollment forms must be submitted by the dates set out for each type of Plan.
8. Payment plans are not transferable to other properties. A new enrollment form must be submitted for each property.
9. Once enrolled in the plan it continues until cancelled by either the property owner or the Municipality.

5. Returned Payments:

1. A non-sufficient funds (NSF) charge will be levied for any payment that does not clear the account.
2. The unpaid taxes as result of a NSF shall be subject to penalty if overdue.
3. Missed payment installment plus the NSF charge must immediately be paid to date using cash, debit, money order or bank draft.
4. The plan shall be terminated if two (2) payments are returned due to non-sufficient funds in a calendar year and the property owner must pay the balance as is due. Any property owner who has been terminated from the plan shall be ineligible to enroll in the program again.
5. The property owner shall be responsible for any interest, penalties or other charges that may be applied.

6. Change of Information and Termination:

1. Written notice via mail, email, fax or personal delivery for the following shall be received by the Municipality prior to the 10th day or next Business Day of a given month's Withdrawal Date:
 - Change of mailing address
 - Change in banking information
 - Cancellation of the pre-authorized debit plan
 - Name changes are processed through the cancellation of the PAD Agreement and a new PAD Agreement submitted
2. The pre-authorized debit plan shall be terminated immediately should the Municipality not be notified in writing of the above changes in information within the specified timeframe.
3. The property owner shall be responsible for any interest, penalties or other charges that may be applied if information is not updated.

7. Supplementary Bills and Credits/Refunds

1. Supplementary bills or other charges may not be paid through pre-authorized debit. These amounts must be made by another payment option.
2. Supplementary bills or other charges must be paid by the due date indicated on the Tax Notice or the account will be removed from the PAD program.

3. Credit amounts remain on the account. Refunds are only issued upon request by the property owner. The refund amount must be larger than \$50.00.

8. Pre-Authorized Debit Plan Options:

Plan 1: Installment Due Date Plan for Properties that are not in Arrears

- Property tax account must not be in arrears.
- Payment in the exact amount of the interim and final installments is withdrawn directly from the property owner's bank account on the due dates indicated on the Tax Notice. There are four installment due dates in a calendar year: the 25th day or next Business Day of February, April, August, October.
- Agreement forms are processed two times a year:
 - First enrollment date: prior to January 10th or next Business Day of a given year.
 - Second enrollment date: prior to July 10th or next Business Day of a given year
- No penalty/interest added as paid by due date unless a payment is NSF.
- The Tax Notice mailed by the Municipality a minimum of 21 days in advance of such due dates serves as the pre-notification of the amounts to be withdrawn on each of the four installment due dates.

Plan 2: Monthly Payment Plan for Properties that are not in Arrears

- Property tax account must not be in arrears.
- This plan is based on equal monthly payments dependant on the enrollment date.
- Equal payments are calculated at time of enrollment and recalculated once a year upon issuance of the Final Tax Notice in August.
- The first seven (7) payments (January to July) will be equal monthly payment amounts based on the total of the prior year's property taxes. The next five (5) payments (August to December) are adjusted to reflect the current year's tax amount, less the payments already made in the current year. This installment amount would then continue until July of the following year when the amount is recalculated again in August.
- Agreement forms are accepted throughout the year.
- For forms received by the 10th day or next Business Day of a given month, the payment will be included on that month's Withdrawal Date. Forms submitted after the 10th day or next Business Day will be included in the next month's Withdrawal Date.
- The Withdrawal Date is the 25th or next Business Day of each month.
- For Agreement forms received prior to July 10th, the calculated monthly payment will be based on the prior year's annual tax amount less amounts paid to the date of enrollment. For forms received after July 10th, the calculated monthly payment will be based on the current year's annual tax amount less amounts paid to the date of enrollment.
- No penalty/interest added unless a payment is NSF.
- There are no discounts credited for payments made.
- Upon enrollment in the Plan, the taxpayer shall be notified in writing of the monthly payment.

- The Final Tax Notice mailed by the Municipality a minimum of 21 days in advance of the monthly Withdrawal Date serves as the pre-notification of the amounts to be withdrawn after initial enrollment. If there are any additional changes to the monthly payment other than what is shown on the Tax Notice, the property owner will be notified in writing of the amounts by the 10th day or next Business Day in advance of the Withdrawal Date.

Plan 3: Monthly Arrears Payment Plan for Properties in Tax Arrears

- For property tax accounts in arrears.
- Property owner must enter into an acceptable payment schedule with the Treasurer.
- This plan does not supersede any other tax payment agreements or tax registration processes.
- Agreement forms are accepted throughout the year.
- For forms received by the 10th day or next Business Day of a given month, the payment will be included on that month's Withdrawal Date. Forms submitted after the 10th day or next Business Day will be included in the next month's Withdrawal Date.
- Agreed upon monthly payment withdrawn from property owner's bank account on the 25th day or next Business Day of each month.
- Penalty/interest will be added based on existing policy and legislation.
- Interim, Final and Supplementary (if applicable) Tax Notices will continue to be issued.
- Once the account is paid to date, the property owner may choose to enroll in the Installment Due Date or Monthly Plan options.

9. Implementation:

The Treasurer shall be responsible for implementation and management of this Policy through written procedures and applicable forms.