CORPORATE POLICY

CANTON / TOWNSHIP
ALFRED AND PLANTAGENET

Policy Title:	**Tax Collection Policy**
Policy Category:	**Financial Control Policy**
Policy No.:	CF-001
Department:	Finance
Approval Date:	March 5, 2024
Revision Date:	December 2, 2024
Author:	Alexandre Charlebois, Treasurer
Attachments:	Not applicable
Related Documents/ Legislation:	Municipal Act, 2001

POLICY STATEMENT:

The Treasurer of a local Municipality shall establish the tax roll for each year on the basis of the assessment roll most recently filed for the year. He must certify the validity of the tax roll for a year and then collect the taxes.

PURPOSE:

The purpose of this policy is to establish processes that will allow for the collection of taxes in an efficient manner while complying with the Municipal Act, 2001.

DEFINITIONS:

Extension Agreement: An agreement between the municipality and the owner of the land, the owner's spouse, mortgagee or tenant occupying the property to pay the cancellation cost

Outstanding Tax Arrears: Property taxes that remain unpaid after the due date

Property class: A class of real property prescribed under the Assessment Act

Tax arrears certificate: A document registered on land stating that the land described on the land will be subject to a public sale if the cancellation cost is not paid within one year of the date of registration of the certificate

Cost of cancellation: An amount equal to the total amount of tax arrears owing on land, including current property taxes, interest and penalties thereon, and reasonable costs incurred by the municipality, once the treasurer is entitled to register a certificate of arrears of taxes

Taxpayer: Person whose name appears on the tax roll

Date of receipt of payment: The date on which the municipality receives payment at city hall or in the municipality's coffers (if the payment is made to a financial institution)

Late payment fee: Penalties and interest for non-payment of taxes

Taxes: Local municipality, upper-tier and individual school board property taxes

Sale of Property for Tax Arrears: Sale of Property for Tax Arrears under the Municipal Act, 2001 and Regulation 181/03

SCOPE:
This policy applies to all property classes and to all taxpayers in the municipality.

POLICY COMMUNICATION:
The policy will be posted on the Township's website. Staff will be informed of the new policy through distribution to the Municipality's management team and more specifically to the finance department.

POLICY:

Tax bill
The treasurer must send a tax statement to each taxpayer at least 21 days before the tax due date of the tax on the bill.343(1)

The tax bill is sent to the taxpayer at the taxpayer's residence or place of business, at the place in respect of which the taxes are payable, or at the address to which the taxpayer requests in writing that the tax bill be sent. By default, the tax bill will be sent to the place where the taxes are due. It is the taxpayer's responsibility to notify the municipality, in writing, of the use of an alternate address. 343(6)

The Treasurer may send a tax statement to the taxpayer electronically in the manner specified by the municipality, if the taxpayer has elected to receive the statement electronically. If the taxpayer requests the Treasurer in writing to send his tax statement by registered mail, the Treasurer grants the request and adds the postage costs to the tax roll. 343(6.1) (7)

Taxes will be paid on the basis of three instalments per year. The provisional levy will be due on the last working day of March. The final direct debit will be due in two instalments, on the last business day of June and the last business day of September. 342(1)

Additional Evaluations and Omissions
The treasurer shall amend the tax roll for a given year to reflect any changes made to the assessment roll for the year after the assessment roll has been drawn up after the assessment roll has been drawn up. 341(1)

Taxes for the year are collected in accordance with the amended tax roll as if the changes had been part of the original tax roll. 341(2)

Additional taxes and omissions occur for various reasons such as new constructions, change of category, etc.

Additional taxes cannot be issued until final invoicing. The billing date will therefore be the month in which MPAC's data is received, but not before the final billing date. Additional taxes will be due on the same dates as the final invoice (June and September) or 21 days after the additional billing date and two months later depending on whether the billing takes place in June or later. For example, an additional invoice made in July will be due 21 days after the invoice date (50%) and at the end of September (another 50%).

Late payment fees

The municipality may, by by-law, require late payment fees in the event of non-payment of taxes. 345(1)

A late payment penalty fee, as specified in the by-law, not exceeding 1.25 per cent of the amount of taxes due and unpaid will be charged on the first day of default. 345(2)

Interest charges, in the manner specified in the by-law, not exceeding 1.25 per cent per month of the amount of taxes due and unpaid shall be added on the first day of each month. 345(3)

Payment

Any payment can be made in person at City Hall, by mail or at a financial institution. The date of receipt of payment will be the date of receipt of payment at City Hall or in the municipality's coffers (if payment is made through a financial institution). It is therefore incumbent on the taxpayer to take into account a certain time limit imposed by Canada Post (or any other courier company) or by the financial institution. The penalty fee will therefore be calculated based on the date the payment is received. 346(2)

The municipality also offers a pre-authorized payment plan on due dates or a pre-authorized payment plan over 12 months (January to December). For the latter option, payments will be made on the first of the month. 342(1)(b)

A taxpayer's use of the 12-month form of payment ceases if the taxpayer requests the termination in writing or if the taxpayer's taxes are unpaid after the due date and the Treasurer notifies the taxpayer in writing that the taxpayer can no longer use this method. 342(5)

Any taxpayer who opted for the 12-month plan with an NSF payment, after written notice from the canton, will be removed from the program and reinstated in the traditional method.

Payments are allocated first to the unpaid late payment charges in respect of taxes due, in the chronological order of their imposition. The payments are then allocated to the taxes due, in the chronological order of their imposition. 347(1)

Notice of tax arrears
In January of each year, the treasurer must establish the position of each tax account as at December 31 of the preceding year and send to each taxpayer who owes taxes for a previous year a notice setting out the amount of those taxes and any related late payment charges. 348(1)(2)

These same notices will also be sent in April, July, and October of each year to any taxpayer who owes taxes for a previous year or for the current year.

In November of each year, a personalized letter will be sent to any taxpayer whose land is eligible on January 1 of the following year for a sale of land for tax arrears. The purpose of this letter is to notify the taxpayer of the start of our sale process if the balance owing remains unpaid.

Cancellation and cancellation
Late payment fees can only be waived in the following situations:

- Taxes adjusted under sections 319, 354, 357 and 358 of the Municipal Act, 2001
- An amendment made under the Assessment Act
- An error made by the municipality 345(7)

If a taxpayer receives a rebate for the reasons listed above and the taxpayer's taxes were paid in full, then that taxpayer is eligible to receive interest on the overpayment in the same manner as under subsection 257.11(4) of the Education Act.

In the case of an error made by the municipality, interest is calculated from the day the error is corrected and, in any other circumstances, 120 days after the day the property assessment corporation, the Assessment Review Board or a court notifies the municipality of the change. 345(6) (9)

No interest is credited on bills delivered to the address entered on the assessment roll, even if the taxpayer no longer resides there, unless the taxpayer has previously notified the municipality in writing.

Under section 354 of the Municipal Act, 2001, unpaid taxes may only be written off with the approval of council, following the recommendation of the Treasurer, as uncollectible taxes. This means that all the measures allowed by law have been taken and that sums still remain unpaid.

Tenants' obligation
Where taxes are due in respect of land occupied by a tenant, the treasurer may give notice in writing to the tenant to pay the rent in respect of the land at each due date to the extent of any taxes due and unpaid and expenses. The tenant must comply with the notice.

The treasurer is authorized in the same way as the landlord of the premises to recover rent by seizure or otherwise to the extent of any taxes due and unpaid and costs.

However, the collection of rent does not impose the landlord's responsibilities on the treasurer or the municipality.

The tenant can deduct from their rent the amounts they paid on behalf of the landlord. 350

Input
If taxes on land remain unpaid after their due date, the treasurer may seize the personal property belonging to the taxpayer to recover the taxes and the costs of the seizure. 351(1)

Property Tax Relief Programs
A variety of property tax relief programs are available to charities, low-income seniors, and low-income people with disabilities. These programs are established by the United Counties of Prescott and Russell and the administration of these programs is delegated to local municipalities.

For the Relief for Charities Program, an application for a particular tax year must be submitted after January 1 of the year, but no later than the last day of February of the following year. However, the municipality may accept an application after this period if it is of the opinion that there are extenuating circumstances that explain why the applicant was unable to submit the application within the prescribed period. 361(3.7)

For the Low-Income Seniors or Disabilities Program, a person may, during a tax year, apply for relief in respect of a property tax increase applicable during the year to an eligible property. 319(1)

Sale of land for tax arrears
Where arrears of taxes are due in respect of land in the municipality on the 1st day of January of the second year following the year in which the property taxes become payable, the treasurer of the municipality may, unless otherwise directed by the council, issue and register a certificate of arrears of taxes in respect of title to the land. 373(1)

The registered tax arrears certificate will indicate that the land described in the certificate will be subject to a public sale if the cancellation cost is not paid within one year of the date of registration of the certificate. 373(2)

The municipality may, after the registration of the tax arrears certificate, but before the expiry of the one-year period, enter into an agreement to extend the time for payment of the cancellation cost. 378(1)

If, at the end of one year from the date of registration of the registered tax arrears certificate, the cancellation cost remains unpaid and there is no continuance agreement in place, the land is subject to a public sale. 379(2)

The Treasurer shall not accept partial payment of taxes in respect of which a tax arrears certificate is recorded except under the terms of an extension agreement entered into. 347(3)

COMPLIANCE:
If the policy is breached, the municipality may investigate and determine appropriate corrective action.

Mandatory Policy, Municipal Act, 2001: No
Management Team, Revision Date: December 2, 2024