



CORPORATE POLICY

DEPARTMENT:	ADMINISTRATION – TREASURY OFFICE
SECTION:	COLLECTION OF PROPERTY TAXES
APPROVAL:	COUNCIL
POLICY NUMBER:	2016-04-01
EFFECTIVE DATE:	April 11, 2016
AMENDED DATE:	April 3, 2023 by Resolution of Council

1. 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 the collection of their property taxes.

2. 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 Treasury's discretion, and for issues when the legislation is silent.

3. SCOPE:

The scope of this document is intended to cover only the aspects of "collection and delivery" of property taxes and any amounts added as taxes for collection.

The document will not incorporate specific "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.

4. ACCOUNTABILITY:

The Treasurer and Taxation Coordinator are responsible to ensure that outstanding Property Tax collection processes are performed in accordance with this policy and all applicable legislation. In addition, the Treasurer, and Taxation Coordinator, or delegate 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



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5. DEFINITIONS:

Municipal Tax Sale Proceedings – means the “Sale of Land for Tax Arrears” according to the proceedings prescribed under Part XI of the Municipal 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.

Preauthorized Payment Plan (PAP) – where the owner has authorized the Town to directly withdraw funds from their bank account on certain dates.

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.

6. PENALTY & INTEREST CHARGES:

In accordance with Section 345 of the Municipal Act, 2001, Interest at a rate of 1.25% is added to previous years' arrears and Penalty at a rate of 1.25% may be added to overdue current taxes on the day after the due date; and is added on the first day of each month thereafter.

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 Treasurer or Taxation Coordinator as a gross or manifest clerical error

7. PAYMENTS:

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

1. Telephone or Internet (online) Banking – using the nineteen-digit roll number as the account number (*property owners must allow at least 2-3 business days in order for the payment to reach the Town of Shelburne's financial institution*) payment will be deemed to be made on the date the payment is received by the Town.
2. Visa or MasterCard through *Paymentus*. This can be accessed online or by telephone (*property owners must allow at least 2-3 business days in order for the payment to reach the Town of Shelburne's financial institution*) payment will be deemed to be made on the date the payment is



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- received by the Town.
3. One of the Municipality's Preauthorized Payment Plans (PAP) (Instalment Based or Monthly)
 4. Post Dated Cheque(s)
 5. In Person - at the counter by cash, cheque, debit or money order
 6. In the secure drop box located at the Victoria Street staff entrance door that is also accessible after hours (*payments received after hours will be processed and date stamped on the following business day*)
 7. Payments by a mortgage holder
 8. Payment made by regular mail will be deemed to be made on the date the payment is received by the town, not the day it was mailed.

Receipts will be provided for all cash payments and upon request by the registered owner for all other methods of payment. To registered owners whose payments are made on their behalf by a mortgage company, the receipted tax bill 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:

1. First to the oldest and all Penalty and Interest Charges
2. Then to the taxes starting with the oldest taxes up to the current taxes
3. Then to other charges that have been added to the roll (if any)

8. RETURNED PAYMENTS:

Payments that are returned by the bank marked "insufficient funds or non-sufficient funds" will be subject to an NSF fee as set out in the Town of Shelburne's annual User Fees and Charges By-Law for Municipal Services, Programs and Facilities. A notice will be mailed to advise the owner.

If the payment was made through the Preauthorized Payment Plan, a letter will advise that the amount returned, and applicable finance charges and applicable penalties will be due immediately. If any two payments should be returned within a calendar year, the enrolment in the Preauthorized payment plan will be terminated.

9. 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:

- Verbal communications;
- Monthly Tax Arrears Statements;
- Annual Auditor Verification Letters;
- Sending a personalized reminder letter to those approaching one year in arrears;
- Sending a personalized reminder letter to those approaching two 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 Finance Department shall send a reminder notice to each property owner whose account is over five dollars (\$5.00) in arrears. 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 one (1) and two (2) years in arrears. A personalized reminder letter will be sent to the affected properties providing them with options and giving them the opportunity to bring their account into good standing. If the letter is a Final Notice, a deadline date will be given and no further notices will be sent after that date has passed.

Payment arrangements may be entered into by the Treasurer or the Taxation Coordinator, with a property owner who is in tax arrears, prior to the file being forwarded to the Town’s solicitors to commence Municipal Tax Sale Proceedings under the Municipal Act. However, payment arrangements must include all tax arrears, current taxes, accruing estimates of future taxes as well as Penalties and Interest and be sufficient to ensure payment in full is realized within a reasonable period as outlined in the chart below. 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 returned payments, or two payments are returned or “missed/not made” 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 the Town’s solicitors to commence Municipal Tax Sale Proceedings. No partial payment to the negotiated arrangement will be accepted. If a payment arrangement has been accepted, and terms are not met and the payment arrangement has been made void by the municipality, a new payment arrangement will not be considered by the municipality.

MAXIMUM NEGOTIABLE PAYMENT ARRANGEMENT TERM		
Staff Level for Authorization	Residential	Non-Residential
Treasurer or Taxation Coordinator	12 Months	6 Months

10. MUNICIPAL TAX SALE PROCEEDINGS:

If acceptable payment arrangements are not negotiated prior to the deadline date provided in the Final Notice, then all properties more than two (2) years in arrears shall be subject to Municipal Tax Sale Proceedings.

The Town of Shelburne’s municipal solicitors will be engaged to carry out the Tax Sale Process as outlined in the Municipal Act, 2001 and Ontario Regulation 181/03



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If a Tax Arrears Certificate has been registered against a property under Section 373(1) of the Municipal Act, no partial payments can be accepted by the Municipality. All further correspondence regarding the tax arrears on the account will take place directly with the Town's appointed solicitors.

Should an Extension Agreement be discussed at this point with the property owner and the Town's appointed solicitors, the Extension Agreement may be presented to the Town's Treasurer for review and approval. It is at the discretion of the Treasurer or designate as to whether the Extension Agreement is accepted on behalf of the Municipality.

Payment of the Cancellation Price will include all and any fees incurred by the Municipality during the collection process and in accordance with the Municipal Act, 2001.

Failure to provide payment in full within the prescribed time following of the registration of the Tax Arrears Certificate will result in the property being advertised for Sale by Public Tender in accordance with the Municipal Act, 2001 and Ontario Regulation 181/03.

11. DELIVERY OF PROPERTY TAX BILLS:

The Town of Shelburne issues 2 Property Tax Bills per year, with 2 due dates on each bill (4 payments per year). The Interim Billing is sent in January with payments due in February and May. The Final Billing is sent in July with payments due in August and October.

Property Tax due dates are also listed on the Town of Shelburne's website, www.shelburne.ca

Property Tax bills are either mailed to the mailing address on file, or emailed to the email address specified by the property owner. Once Property Tax Bills are issued and mailed/emailed, it is the responsibility of the property owner to ensure receipt of their property tax bill, and make the payment specified by each due date.

Additional instalment due dates may occur in the event of a Supplemental Property Tax bill as a result of assessment changes.

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

12. MISCELLANEOUS:

Credit Balances:

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 in 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.



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Taxes Owing – Itemized Statement – Tax Certificate:

In accordance with Section 352(1) of the Municipal Act, upon the written request of any person, the Treasurer shall provide that person an itemized statement of all amounts owing for taxes.

The fee for this service is set out in the Town of Shelburne's User Fees and Charges By-Law, and the allowance for response time by the Town is 48 hours during regular business hours.