

Town of Bancroft
Tax Billing and Collections Policy

Introduction

The Town of Bancroft collects taxes on behalf of the Town, the County of Hastings, the local School Boards, and the Bancroft Business Improvement Area. The Town is also responsible to ensure all overdue Property Taxes are collected.

Policy Statement

The Town of Bancroft works to ensure that property taxes are fairly distributed and ratepayers pay accordingly. Fairly distributed is on the basis of assessment as valued by the Municipal Property Assessment Corporation and as legislated by the Municipal Act and associated regulations.

Purpose

The purposes of this policy are to establish fair and equitable processes for the billing and collection of municipal property taxes including the collections of those amounts that are overdue.

Scope

This policy covers all aspects of billing and collection of property taxes up to the initiation of Municipal Tax Sale proceedings. All procedures related to a Municipal Tax Sale are carried out as required through Provincial regulation and are not detailed in this policy.

As well, billing and collection of payments-in-lieu of taxation are not included in this policy.

Legislative Authority

This policy is written in compliance with the Municipal Act 2001, related Ontario Regulations made under the Act and applicable municipal by-laws amended from time to time.

Definitions

For the purposes of this policy:

Bailiff	means a duly appointed agent under contract with the Town or the County of Hastings to recover outstanding property taxes.
Cancellation Price	means an amount owing equal to all tax arrears, together with all current taxes owing, late payment charges and costs incurred by the Town after the registration of a tax arrears certificate as provided by the Act.
Collection Costs	means all costs incurred by the Town to obtain information for collection purposes and/or collect tax arrears including, but not limited to, title search fees, corporate search fees, registered or certified mail, administrative charges, legal costs and tax sale scale of costs.
Extension agreement	means a contract between the Town and the owner, spouse of the owner, a mortgagee, or a tenant in occupation to expend a 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.
Late payment charges	means penalties and interest applied by the Town to unpaid property tax accounts in accordance with the Act.
Municipal tax sale	means the sale of land for tax arrears according to the proceedings prescribed in the act and associated regulations.

Property taxes means the total amount of taxes for municipal (includes lower and upper tier municipalities and the levy for the Business Improvement Area) and school purposes levied on a property and includes other amounts added to the tax roll as may be permitted by applicable Provincial legislations, including but not limited to outstanding fines under the Provincial Officials Act, charges pursuant to municipal by-laws and municipal utility charges.

Tax arrears means any portion of property taxes that remains 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.

Administration

The policy is administered by the Treasury Department

Accountability

The treasurer is responsible to ensure that outstanding property tax collection processes are performed in accordance with this policy and all applicable legislation. In addition, the Treasurer is responsible to ensure this policy remains consistent with current legislation, ensure applicable staff are aware of, and trained on, this policy, communicate policy revisions to applicable staff and assess overdue property tax accounts to ensure tax collection processes are performed in accordance with this policy.

Recording of Assessment

Annually, the Municipal Property Assessment Corporation forwards to Ontario municipalities an assessment roll that contains information of all properties within the municipality. This is received in both printed and electronic form. As soon as practical after the receipt of the electronic assessment roll, it will be 'uploaded' into the billing module of our accounting software.

Billing Due Dates

The Town of Bancroft, as outlined below, will issue property tax bills twice a year with each billing containing two installments. The due dates of the installments will be established so they occur as close to the 5th last working day of the month the bills are due.

Interim Billing

Interim bills will be prepared annually in February with due dates near the end of March and May. The interim billing will be based on 50% of the previous year's bill.

In those cases where a significant reduction in assessment occurred in the preceding year, the amounts of the installments may be adjusted manually by the Treasury Department so as to be more reflective of the overall amounts billed. In these cases, special consideration of Penalty and Interest will apply (see below)

Final Billing

The final billing will be prepared after the budget and appropriate tax rates have been approved by Council. Typically, the final tax bills will be mailed to ratepayers by July 15th. The due dates for the final billing will be near the end of August and October.

Due Based on Delivery of tax bills

Property tax bills and notices are mailed to the address of the property as shown on the assessment roll delivered to the Town by the Municipal Property Assessment Corporation unless the taxpayer had provided written notification to the Town that an alternate mailing address is to be used. Use of an alternate mailing address continues until direction is changed, in writing, or the ownership of the property changes.

Any bill or notice sent by standard letter mail is considered delivered to and received by the addressee unless the notice is returned by Canada Post and an error in the mailing address is evident. Taxpayers are responsible to notify the Town of any changes to their mailing address. Failure to provide this notification of an address change in writing does not constitute an error on behalf of the Town. Moving without providing a forwarding address and/or not supplying the Town with a correct address will not constitute a valid reason for the return of penalties and interest that may be charged in accordance with this policy.

As stated above, typically taxes will be billed twice a year, once during the month of February and once during the month of July. Unless evidence to the contrary is submitted to the Town prior to the first due date included on the tax bill the tax bills will be deemed to have been delivered within the time limits highlighted in the Act.

Late payment charges and collection costs

All tax arrears are subject to late payment charges. A penalty at a rate established by by-law is added to the unpaid amount of a tax instalment on the first day of the month following the date the instalment is due. In addition, as long as the property taxes remain unpaid, interest, at a rate established by by-law is added on the first day of each month thereafter. Penalty and interest charges cannot be waived.

Further to the preceding paragraph, the Treasury Staff have the discretion not to charge penalties and interest on properties where it is known there will be a significant decrease in the amount of property taxes levied for the year. Examples of this would be demolitions and/or buildings razed by fire, or the interim levy in the year following a significant decrease in assessment.

If the Treasury Department has elected not to charge penalties and interest, the effected properties and reasons should be reported to the Treasurer and the status of the property is to be reviewed monthly until such time as penalties and interest are charged regularly. This should be done as quickly as possible.

Penalties and Interest will be added to tax accounts outstanding as at 4 pm on the first business day of each month in line with the annual levy by-law and provisions of the municipal act.

All collection costs incurred by the Town to obtain information for collection purposes and/or collect tax arrears are payable by the property owner and are added to the tax account, with the exception of Bailiff fees which are charged and collected by the bailiff directly. In addition to fees paid to a third party, the Town may charge an administration fee of 10% of the outstanding amount when the arrears certificate was registered or \$500.00, whichever is less, at the commencement of tax registration and sale procedures. The administration fee is to be reviewed in concert with other municipal fees from time to time.

Payments

The Town accepts payments in the following ways:

- Cash
- Cheque
- Debit
- Master Card
- Visa
- Online banking agreements
- Preauthorized payments

Participation in the Preauthorized Payment program may be restricted to those properties who are not in arrears at the time the application is made.

Application of payments

Tax payments will be applied to the outstanding amounts as prescribed by the act being applied to late payment charges first and then, once all late payment charges have been paid, to taxes and amounts added to the tax roll for collection with those being outstanding the longest paid first.

Should a tax arrears certificate be registered against a property, partial payments are not accepted on that property unless there is a valid extension agreement in place.

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 a debt due to the Town from the original owner and/or any subsequent owner of the property.

Primarily, tax arrears will be collected using the following methods:

1. Verbal communication
2. Send the taxpayer a form or personalized letter
3. Issue year end statements of taxes, overdue notices and final notices
4. Arrange terms of payment
5. Issue notices to interested parties
6. Legal action
7. Municipal tax sale