



Title: Property Tax Policy	Date: November 30, 2004
Policy No FIN-1.12	Revision: October 30, 2017

PURPOSE:

To establish a policy that provides guidance to staff for effective and efficient billing and collection of property taxes and to ensure that all taxpayers are treated fairly and equitably with respect to the collection of their property taxes.

SCOPE:

The scope of this document is intended to cover only the aspects of billing and collection of property taxes and any amounts added as taxes for collection. This policy will conform to current legislation and the Municipal Act, 2001. Where this policy contradicts legislation of the Province of Ontario or the Government of Canada, the legislation shall be followed.

DEFINITIONS:

- *Municipal Tax Sale* – means the sale of land for Tax Arrears according to the proceedings prescribed under the Municipal Tax Sales 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.
- *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.
- *Municipality/Town* – means The Corporation of the Town of Aylmer.

REFERENCES:

Municipal Act, 2001 S.O. 2001, Chapter 25
Modernizing Ontario's Municipal Legislation Act, 2017, S.O. 2017, c. 10 - Bill 68

POLICY:

General

- The Town of Aylmer will follow a prescribed policy for the billing and collection of property tax levies.



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- This policy applies to all items added to the tax roll and treated as tax as permitted under the legislation.
- This policy will provide an open, transparent and consistent framework for the billing and collection process. Municipal staff and Council shall reference this document when communicating with the public regarding property taxes.
- As tax billing and collection is the primary source of revenue for the Town of Aylmer, this policy will help to:
 - Streamline activities and eliminate questions as to the appropriate steps required for collection;
 - Set out consistent guidelines to be followed with regard to collection of property tax payments to the Town;
 - Ensure all activities conform to the current legislation. Real property tax is levied on the assessment for real property within the Town of Aylmer in accordance with Section 307(1,2) of the Municipal Act, 2001

Issuance of Property Tax Bills

The following guidelines apply to the issuance of property tax bills:

- Taxes are deemed to be levied and become due on January 1 of the taxation year to which they apply, except where otherwise required by law
- Interim Tax Bills will be issued in March as specified in the annual by-law passed to establish the interim levy.
- The amount billed will be no more than fifty percent (50%) of the previous year's total taxes and may include up to fifty percent (50%) of any Local Improvement, Business Improvement Area (ie. The Downtown Business Association) charge or other special charge as required under provincial legislation.
- Amounts deemed to be taxes, or items with priority lien status will be included on the interim bill at one hundred percent (100%). These items may include, but are not limited to, outstanding water and wastewater fees, and Provincial Offences Act fines.
- Final Tax Bills will be issued in August as specified in the annual by-law passed to establish the final tax rates.
- Taxes due may be paid in four installments without interest or penalties as follows:
 - 50% of interim bill on the last business day of March;
 - 50% of interim bill on the last business day of June;
 - 50% of final bill on the last business day of August;



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- 50% of final bill on the last business day of October;
- The amount billed will be calculated based on the assessment value on the returned assessment roll and the final levy as approved by Council through the Annual Budget and the associated by-law passed in accordance with Section 312(2) of the Municipal Act, 2001.
- Tax bills will contain all required information as set out in Section 343(2) of the Municipal Act, 2001 and any other information deemed necessary by the Director of Finance.

Mailing

- Any notice sent by ordinary mail is considered delivered to and received by the addressee. If an owner of a property fails to notify the Municipality of a change in mailing address, resulting in the return of their mail, the mailing address is changed to the municipal address of the property.
- Where allowed by legislation, and where available, provision of tax bills, arrears notices, and other related correspondence may be provided electronically but will be provided by regular mail by default.
- The Municipal Act, 2001 Section 343 (1) requires tax billings to be post marked and mailed no less than twenty-one (21) calendar days prior to the due date.

Supplementary Tax Billings

Omissions - Section 33 of the Assessment Act allows for the taxation of real property that has been omitted from the roll. This provision allows for taxation in the current year, plus an additional two preceding years. These will be taxed at the appropriate rate for the effective years.

Supplementary Assessment – Section 34 of the Assessment Act allows for the taxation of assessment that has increased in value or has been added to the return of the last revised roll. These taxes apply only to the current taxation year.

Interest and Penalty:

Interest is added to previous years arrears and penalty is added to current year arrears on the day after the due date and on the first day of each month thereafter.



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The rate of interest and penalty is authorized by section 345 (2) and 345(3) of the Municipal Act, 2001.

Interest and Penalty are adjusted only in accordance with the following and only retroactive to the decision date:

- Taxes are adjusted under Sections 354, 357, 358 of the Municipal Act, 2001;
- Taxes are adjusted following an Assessment Review Board decision;
- Taxes are adjusted in accordance with a decision of the Courts;
- The interest or penalty was charged as a result of error or omission.

Payments:

Payable to The Corporation of the Town of Aylmer, 46 Talbot St W, Aylmer, ON N5H 1J7.

Payment of taxes must be received in the Municipality's administrative office on or before the due date as the receipt date will be the official date of the payment.

Payments not received on time are subject to penalties and interest.

The following are the modes of payments available for the property owner's use:

- One of the Municipality's Preauthorized Payment Plans (Instalment/Budget/10 Month)
- Post Dated Cheque(s)
- In Person - at the counter by cash, cheque, debit or money order
- In the secure drop box located at the front door & is also accessible after hours. Please do not deposit cash in the afterhours drop box.
- Payments by a mortgage holder on the owner's behalf.
- Telephone/Internet/In person at a Banking Institution – using the roll number as the account number (*please note: property owners must allow at least 2-3 business days in order for the payment to reach the Municipalities financial institution*)

Receipts will be provided for all cash payments and upon request in person by the registered owner for all other methods of payment. Mailed receipts will be provided only if the owner provides a self addressed stamped envelope with their payment.

Receipts for the Monthly Preauthorized Payment customers are provided in December with the notification of their new withdrawal amount.

In accordance with the Municipal Act, 2001 Section 347 payments shall be applied



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as follows:

- The payment shall first be applied against late payment charges owing in respect of those taxes according to the length of time the charges have been owing, with the charges imposed earlier being discharged before charges imposed later.
- The payment shall then be applied against the taxes owing according to the length of time they have been owing, with the taxes imposed earlier being discharged before taxes imposed later.

Payments that are returned to the Town's bank from the customers financial institution for any reason, will be subject to a fee as set out in the Municipalities User Fees and Charges By-Law. An individual who has had two (2) payments returned within a 12 month period is no longer eligible for PAP. Any cheques would also then have to be certified.

Collection of Tax Arrears:

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 associated costs) as debt to the Municipality from the registered owner and/or any subsequent owner of the property.

The Municipality will use the following methods to collect Tax Arrears:

- Verbal communications;
- Tax Arrears Statements;
- Annual Auditor Verification Letters;
- Arranging a satisfactory term of payment that significantly reduces the previous and current taxes;
- Municipal Tax Sale Proceedings

The Municipality also may use other collection options as provided in the Municipal Act, 2001

To remind property owners that their tax account is not in good standing, the Treasury 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 a tax installment date after the addition of the Penalty and Interest charges. We will identify the properties that are approaching two (2) years in arrears. A personalized reminder will be noted on the arrears letter providing the owner with the amount required to stop the tax sale proceedings. If the letter is a Final



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Notice, a deadline date will also be given to stop the tax sale proceedings.

Payment Arrangements:

- Payment arrangements may be entered into by the Treasurer or the Deputy Treasurer, with a property owner who is in tax arrears, prior to the file being forwarded to commence proceedings under the Municipal Tax Sales Act.
- 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 of time.
- 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 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 immediately or the account will be sent to commence the Tax Sale Proceedings.
- The Treasurer or Deputy Treasurer will only have authorization to enter into a 12 month payment arrangement to bring the taxes owing to the current year outstanding.

Municipal Tax Sale:

- If acceptable payment arrangements are not negotiated prior to the deadline date provided in the Final Notice, then all properties in excess of two (2) years in arrears shall be subject to the Municipal Tax Sale Process.
- The Municipality may engage an outside firm to carry out the Tax Sale Process as outlined in the Municipal Tax Sales Act, any costs incurred for this process will be added to the tax roll.
- If a Tax Arrears Certificate has been registered against a property under the Municipal Tax Sales Act, no partial payments can be accepted by the Municipality. Payment of the Cancellation Price will include all and any fees incurred by the Municipality during the collection process.
- Failure to provide payment in full within 1 year of the registration of the Tax Arrears Certificate will result in the property being eligible to be sold by the municipality.



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Miscellaneous:

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. A taxpayer may request a refund of a credit balance in writing after the final tax bills have been issued for the current year as long as all instalments billed have been cleared.