

**THE CORPORATION OF THE
MUNICIPALITY OF WAWA**

BY-LAW NO. 3274-20

BEING A BY-LAW to adopt Municipality of Wawa Policy No. FT-017:
Property Tax Collection.

WHEREAS the *Municipal Act, 2001*, S.O. 2001, Chapter 25, Section 8, provides the powers of a municipality under this or any other Act shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues;

AND WHEREAS the Municipal Act, S.O. 2001, Chapter 25, Section 9, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

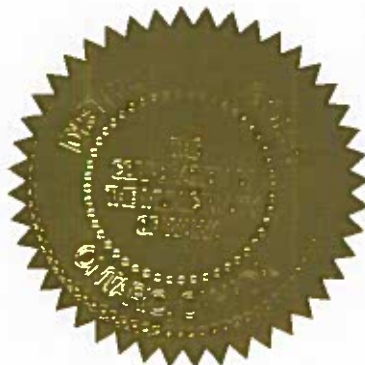
AND WHEREAS the Municipal Act, 2001, is the governing legislation that sets out tax billing and collection processes and procedures;


AND WHEREAS Council desires to adopt a policy outlining the provisions of the Tax Billing and Collection Policy for the Municipality of Wawa;

NOWHEREFORE the Council of The Corporation of the Municipality of Wawa enacts as follows:

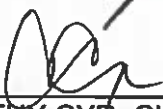
1. **THAT** Policy No. FIN-004: Tax Collection Policy be and is hereby repealed.
2. **THAT** Policy No. FT-017: Property Tax Collection herein attached as Schedule "A" to this By-Law and forming an integral part of this By-Law, be adopted.
3. **THAT** the Mayor and Clerk be and they are hereby authorized to sign this By-Law and to affix the corporate seal thereto.
4. **THAT** this By-Law is enacted upon the third and final reading hereof.

READ a first, second and third time and be finally passed this 28th day of January, 2020.





RON RODY, MAYOR



CATHY CYR, CLERK



The Corporation of the Municipality of Wawa
Policy Manual

POLICY TITLE:	PROPERTY TAX COLLECTION
SUBJECT:	Property Tax Billing and Collections
POLICY NO.	FT-017
EFFECTIVE DATE:	January 28, 2020
ENACTED BY:	By-Law No. 3274-20

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1.0 Policy Purpose

The purpose of this policy is to ensure that the municipality is in a position to manage its accounts receivable effectively and to ensure timely collection to minimize outstanding amounts owing to the municipality. This policy will assist with the ongoing success of administration, more specifically; it will ensure prompt, efficient, courteous and consistent service to all ratepayers of the municipality.

2.0 Policy Statement

This policy takes its authority from Section 286 of the Municipal Act, 2001 which states that the Treasurer is responsible for invoicing, collection and reconciliation of all accounts receivable in the Municipality:

"A municipality shall appoint a Treasurer who is responsible for handling all of the financial affairs of the municipality on behalf of and in the manner directed by the council of the municipality, including,

- a) collecting money payable to the municipality and issuing receipts for those payments;
- b) depositing all money received on behalf of the municipality in a financial institution designated by the municipality;
- c) paying all debts of the municipality and other expenditures authorized by the municipality;
- d) maintaining accurate records and accounts of the financial affairs of the municipality;..."

3.0 Definitions

- a) "Cancellation Price" means an amount equal to all the tax arrears owing at any time in respect of land together with all current real property taxes owing, interest and penalties thereon and all reasonable costs incurred by the municipality after the Treasurer becomes entitled to register a tax arrears certificate.
- b) "Extension Agreement" is a contract between the municipality and the registered owner of the property 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 costs.

- c) "MPAC" – means the Municipal Property Assessment Corporation which is responsible for determining the assessed value of all classes of assessment in the Province of Ontario. MPAC administers all phases of property assessment including appeals of assessment.
- d) "Municipal Tax Sale" is the sale of land for tax arrears according to proceedings prescribed by the Act and Ontario Regulation 181/03.
- e) "Penalty and Interest" – means the late payment charges applied by the Municipality of Wawa for non-payment of taxes or any installment by the due date, in accordance with Section 345 of the Municipal Act, 2001. The Municipality shall set the penalty and interest at the rate of 1.25% per month, or the highest rate allowed under the Act, on all taxes due and unpaid.
- f) "Property Taxes" – means the total amount of taxes for municipal and school board purposes levied on a property and includes other amounts as may be added to the tax roll under applicable provincial legislation.
- g) "Tax Arrears" – means any portion of Property Taxes that remain unpaid after the date on which the taxes are due.
- h) "Tax Sale" – means the sale of land for Tax Arrears according to the proceedings prescribed under the Municipal Act, S.O. 2001, c.25 and O. Reg.181/03 Municipal Tax Sales Rules, as amended by Ontario Regulation 571/17.
- i) "Treasurer" – means finance individual at The Municipality of Wawa responsible for fulfilling the duties referenced in the Municipal Act. This title is interchangeable with Deputy Treasurer or designate for the purposes of this policy.

4.0 Procedures and Guidelines

4.1 General

- a) The Municipality of Wawa will follow a prescribed policy for the billing and collection of property taxes. 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.
- b) The Municipality of Wawa Water and Wastewater billing and collection process is covered under a separate Water and Wastewater By-law and is not impacted by this tax collection policy. However, in the case when outstanding

water and wastewater balances are transferred to the actual tax roll, this policy will apply to those amounts that have been added.

- c) This policy will provide an open, transparent and consistent framework for the annual billing and ongoing collection process. Municipal staff and Council should reference this document when communicating with the public regarding property taxes.
- d) As property tax billing and collection is the primary source of revenue for the Municipality of Wawa, this policy will help to:
 - i. Establish consistent guidelines to be followed with regard to the billing and collection of property taxes;
 - ii. Streamline activities and set out appropriate steps required for collection of past due property taxes; and
 - iii. Ensure a clear and consistent written policy for the municipality.
- e) Ensure all activities conform to the current legislation. Real property tax is levied on the assessment for real property within the Municipality of Wawa in accordance with Section 307(1) of the Municipal Act, 2001.

4.2 Issuance of Property Tax Bills

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

- a) The specific due dates will be identified in both the Interim and Final levy by-laws for the municipality. When possible, the municipality will endeavor to allow additional time from the installment due dates to the last day of the month for payment processing purposes as a courtesy to ratepayers before applying penalty and interest charges.
- b) Interim tax billings shall be produced based on 50% of the annualized taxes of the property for the previous calendar year. The tax billing may include local improvement charges, area charges, business improvement area charges and any special charges levied by the municipality or provincial government. 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.
- c) Final tax billing amounts in each instance will be calculated based on the assessment value on the returned assessment roll and the final tax rates as approved by Council through the annual budget and the associated Tax Levy By-law passed in accordance with Section 312(2) of the Municipal Act, 2001.

- d) All property taxes due in any calendar year may be paid in four installments without penalty or interest on the last business day of the designated month. Where an installment date identified falls on a statutory holiday, the installment date shall be the following business day.
- e) Property 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 Treasurer.

4.3 Mailing

- a) Issued billings are to meet all requirements of Section 343 of the Municipal Act. 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. The Municipality will make every attempt to mail tax bills at least twenty-five (25) calendar days before the due date when possible. Where allowed by legislation, and where available, provision of tax bills, arrears notices, and other related correspondence may be provided electronically.
- b) It is the taxpayer's responsibility to notify the Municipality in writing of any mailing address changes. Section 343(6) of the Municipal Act, 2001 identifies that property tax bills shall be sent to the taxpayer's last known residence or place of business or to the premises where the taxes are payable for, unless the taxpayer or the taxpayer's lawyer directs otherwise. This direction continues until it is revoked in writing.
- c) Any tax bill, arrears notice, or other related correspondence sent is considered delivered to and received by the addressee unless the correspondence is returned by the Canada Post or an error in the mailing address is proven by the taxpayer.
- d) Failure to receive a tax bill does not exempt a taxpayer from paying the taxes and the penalty and interest added as a result of late payment.

4.4 Supplementary and Omitted Assessments

- a) Omissions - Section 33 of the Assessment Act allows for the taxation of real property that has been omitted from the returned assessment roll. This provision allows for taxation in the current year, plus an additional two preceding years. The applicable tax rates for the effective years will be applied.
- b) Additions - 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.

- c) Supplementary property tax bills will be generated upon receipt of the applicable assessment data from MPAC and will be processed and mailed in the same manner as the interim and final tax bills. Installment due date(s) for supplementary property taxes will be set by the Treasurer and will provide the taxpayers a minimum of twenty-one (21) calendar days prior to the due date. Penalty and interest charges will be assessed on supplementary taxes that are owing past their designated due date at a rate of 1.25 percent.

4.5 Application of Payment

- a) Section 347(1) of the Municipal Act, 2001 outlines how payments are applied to outstanding balances:
 - i. 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 (ie. Longest outstanding interest or late payment charges first).
 - ii. After all outstanding late payment charges are discharged, the payment shall be applied against taxes owing according to the length of time they have been owing, with taxes imposed earlier being discharged before taxes imposed later.
- b) Section 347(3) of the Municipal Act, 2001 states that no part payment shall be accepted on a tax account where a tax arrears certificate has been registered against the property unless an extension agreement has been formally executed by the Treasurer.
- c) Section 341 of the Municipal Act, 2001 provides that a municipality may apply refunds from appeals to the current tax liability. The Municipality will apply any refund resulting from an appeal, request for reconsideration, or other legislative reduction first to the taxpayer's account to reduce any outstanding balance. A taxpayer may request a refund of a credit balance on their account in writing after the final tax bills have been issued.

4.6 Acceptable Payment Methods

- a) Payments are payable to the "Municipality of Wawa", 40 Broadway Avenue, Wawa, ON, P0S 1K0 and must be received in the Finance Department at the Town Hall on or before the installment due date in order to avoid penalty and interest charges.

b) The following payment methods are accepted for property taxes:

- i. In person at Town Hall during regular business hours by cash, cheque, postdated cheque and debit card;
- ii. Cheques may be mailed; however, the cheques must be received in the Finance Department on or before the installment due date in order to avoid penalty and interest;
- iii. Payment tendered in US funds (cheque only) will be accepted based on the exchange rate established by the Municipality's bank on the day of the deposit;
- iv. Telephone or internet banking. Be aware that currently the typical processing time for Canadian financial institutions to transfer a payment to the Municipality's account can be at least 3 business days. This means that payment made in this manner should incorporate sufficient lead time in advance of the due date. If you have multiple properties, payments must correspond to the appropriate roll number;
- v. In person at most Canadian financial institutions. Please review iii. above for processing time to avoid late payments; and
- vi. Mortgage company or financial institution on behalf of a taxpayer.
- vii. By Credit Card through third party provider Paymentus Corporation through our website at wawa.cc. Please note Paymentus charges a fee to use their service. The fee covers payment handling and processing charges and it is the responsibility of the credit card holder to pay.

c) Third party cheques will not be accepted.

d) The Municipality offers three Pre-Authorized Payment (PAP) plans;

- i. a monthly program over ten months (January to October);
- ii. an instalment due date plan (four withdrawals each year), and
- iii. a monthly program over twelve month (January to December) as approved by the Treasurer

PAPs are only available to those taxpayers who are not in arrears. A completed Pre-Authorized Payment (PAP) Agreement must be submitted and approved to begin the enrollment process.

- e) 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 Municipality's schedule of fees by-law.
- f) An individual who has had two (2) payments returned within a 12 month period is no longer eligible for PAP. Any payment by cheque must be certified.

4.7 Outstanding Taxes General Notice Procedures

- a) Notices of Past Due Taxes will be sent a minimum of three times per year, but will not be sent in the months in which a tax billing is issued, if there is a due date or in between installment dates. Past Due Notices shall be sent in the months immediately following the last installment of both the Interim Tax Bill and Final Tax Bill and at a minimum in the month of December. The first two notices are mailed only to taxpayers with a balance of \$20.00 or more. The December notices will be mailed to all taxpayers with any outstanding balance.
- b) Affixed to the past due notice following the last installment date of the Final Tax Bill as well as the notice being sent in December, for those properties approaching three years in arrears, there will be a notice that states "Your property is going to be eligible for Tax Sale proceedings. Please contact [Finance Department contact name and phone number] to avoid having your property registered for Tax Sale."
- c) The Treasurer will encourage property owners in tax arrears to establish a monthly payment plan to repay outstanding taxes in a timely manner. Payment plans shall be designed to ensure that arrears in second year are repaid within six months.
- d) Affixed to the Interim Tax Billing for those properties now three years in arrears will be a notice that states "Your property is now eligible for Tax Sale and will be registered shortly. Please contact [Finance Department contact name and phone number] immediately".
- e) Effective March 31st, taxpayers who have received the above notices of impending tax registration per this policy and who have not contacted the Treasurer or provided full payment as stipulated on the date of the notice, will receive a final notice that the Municipality will be proceeding with the tax registration process.

4.8 Late Payment Charge Adjustments

- a) Late payment charges are adjusted only in the following circumstances:
 - i. Taxes are adjusted under Sections 354, 357 or 358 of the Municipal Act.
 - ii. Taxes are adjusted following an Assessment Review Board (ARB) decision.
 - iii. Taxes are adjusted in accordance with a decision of the courts.
 - iv. In the event penalty or interest or both was charged as a result of the municipality's error or omission, it shall be at the discretion of the Treasurer to decide whether the penalty or interest amount should be adjusted.
- b) Penalty and interest will not be adjusted on property tax accounts that claim they did not receive a tax bill or claim it was sent to the wrong address. Section 343 of the Municipal Act identifies that tax bills shall be sent to the ratepayer's residence or place of business or to the premises where the taxes are payable for, unless the ratepayer(s) directs the municipality otherwise in writing. The direction for the delivery of tax bills and/or any other applicable notices continues until it is revoked in writing by the ratepayer (343(8)). Therefore, it is the responsibility of the ratepayer to inform the municipality, in writing, of any changes and/or updates to their property address.

4.9 Collection Methods

There are five basic remedies used by the Municipality to enforce payment of property taxes owing:

- a) Penalty and Interest – Late payment charges shall be assessed at the rate of 1.25%, or the highest rate allowed under the Municipal Act, and will be added to all past due accounts on the first day of the month following the due date and monthly thereafter until paid. Penalty and interest will not be compounded.
- b) Rent Attornment – Under the provisions of Section 350 of the Municipal Act, 2001, rent attornment is available for tenant occupied properties only. Where taxes are owed in respect of any land occupied by a tenant, the Treasurer may give the tenant notice in writing requiring the tenant to pay the rent normally paid to the Landlord to the Municipality in order to pay up the amount of outstanding taxes due on the tenanted property.

- c) Bailiff Action - Section 349 of the Municipal Act provides that taxes may be recovered with costs as a debt due to the Municipality from the taxpayer originally assessed for them and from any subsequent owner of the assessed land or any part of it. Costs associated with this action are the responsibility of the property owner and are deducted by the bailiff, in accordance with legislation, prior to the remittance of payment to the municipality.
- d) Collection Agency – If a taxpayer does not respond to notices or does not make a reasonable attempt to enter into a suitable payment arrangement, and if there is a possibility that taxes may not ultimately be, or have been determined not to be collectable by tax sale or by another method, the Treasurer may proceed to engage the services of a collection agency appointed by the Municipality to attempt the collection of the taxes. Collection agencies charge a commission on the amounts that they collect. Section 304 of the Municipal Act, 2001, S.O. 2001, c.25 allows Municipalities to recover the commission charged for the recovery of debt including taxes.
- e) Tax Registration / Tax sale – Property taxes (including any part thereof) that are in arrears for 2 years or more are eligible for tax registration under Part XI of the Municipal Act. The municipality will endeavor to work with the ratepayers by encouraging the ratepayer to either make full payment or a mutually agreed upon payment plan before sending a property to tax sale.
- f) The municipality uses a third party tax collection specialist to administer the tax sale process on property tax accounts.
- g) Once a property is registered and tax sale proceedings have begun, payment of taxes owing is required in full. Otherwise, an extension agreement must be signed. The ratepayer has one year from the time the tax arrears certificate is registered to pay the cancellation price to the municipality, otherwise the property is subject to public tax sale.
- h) The Municipal Act provides that the property may be sold by sealed tender, or public auction. The municipality's preference is by sealed tender. Tenders are opened in an open forum, recorded as received, and then reviewed to ensure completeness of the tenders submitted. (Note: Council may make a bid or tender on a property, by resolution, but they must have a public purpose for the property.) The highest tender or two highest tenders, if more than one is received, is retained. The minimum acceptable bid is the cancellation price (In addition a tender must have a certified deposit that is at least 20% of the amount tendered). Notice is sent to the highest bidder requesting payment of the balance of the amount tendered, applicable land transfer tax, and accumulated taxes to date. All tax sale costs are added to the individual property tax account balance. Payment must be received from the highest

bidder within 14 days from the date of the notices of highest bidder being mailed by the Treasurer. Upon receipt, the Treasurer shall issue a receipt and declare the highest bidder to be the successful purchaser. If no payment is received within 14 calendar days of the mailing of the notice, the deposit is forfeited. A notice is then sent to the second highest bidder and the process repeats.

- i) The proceeds of a sale under section 379 of the Municipal Act shall:
 - i. Firstly, be applied to pay the cancellation price;
 - ii. Secondly, be paid to all persons, other than the owner, having an interest in the land according to their priority at law; and
 - iii. Thirdly, be paid to the person who immediately before the registration of the tax deed was the owner of the land.
- j) Vesting - Where there is no successful purchaser, a notice of vesting may be issued and the Treasurer shall register a declaration to that effect at the local land registry office. Council has two 2 years to decide whether to vest a property. The Municipal Act allows for inspection of the property including an environmental assessment. Council may re-advertise for another tender or auction within 2 years without writing off the tax arrears. If Council decides not to vest, Council may choose to write off the taxes and issue a tax cancellation certificate. Each year the Treasurer may prepare a list of such properties for annual write-off thereafter. Council may also decide to write off all or part of the taxes with the purpose of re-registration of the tax arrears and repeating the tax sale process from the beginning. If Council decides to vest the property, the tax arrears will be written off and the property may be declared surplus and advertised for sale.

5.0 Policy Review

This policy shall be reviewed by each term of Council or as determined necessary by Council or the CAO.

Policy Adoption and Review Guidelines

Date of Adoption by Council	By-Law No.	Date of Most Recent Review by Council	Changes Made Yes/No
March 3, 1998	1182-98	March 1998	New
January 28, 2020		January 28, 2020	Yes

References to Other Policies or By-laws

Policy Title	Policy Number	By-Law

6.0 Repeal – Enactment

That Policy No. FIN 004 be and is hereby repealed.