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| Policy: | Tax Collection Policy | Policy No. | 7.24 |
| Section: | MISCELLANEOUS | Effective: | January 25, 2022 |
| Approved by: | Resolution No. 2022-22 | Revised: | January 25, 2022 |
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This policy provides guidelines 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.

Policy statement

The purpose of this policy is to establish the responsibilities, internal controls, authorizations and procedures ensuring the timely, accurate and efficient preparation and collection of property taxes.

Scope

The scope of this document is intended to cover all the aspects of “collection” of property taxes and any amounts added as taxes for collection. The document will also incorporate “billing” practices including the process for the Interim Billing and Final Billing Collection

This policy takes its authority from Section 286 of the Municipal Act, 2001 which states that the Treasurer is responsible for handling all of the financial affairs of the municipality on behalf of the municipality in the manner directed by the council of the municipality.

Accountability

The Treasurer and Deputy Treasurer 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, Deputy Treasurer or delegate is 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
- Assess overdue Property Tax accounts to ensure tax collection processes are performed in accordance with this policy

Tax Billing and Payments

Interim bill- Based on 50% of the previous year’s property taxes. Bills to be mailed out before the end of the first week in March with Two Installments, due the last business day of March and of May.

Final Billing – Based on the current year’s property assessment times the current tax rate as passed in the budget. Two Installments: Due (depending on the current year’s by-law) on the last business day of August and October.

Interest and Penalties

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Interest and penalties shall be added as soon as possible on or immediately after the first of the month, as circumstances allow, no later than the seventh of every month.

Interest and Penalties 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 following the installment due date and monthly thereafter until paid.

Collection Procedures

Reminder notices: One reminder notice to be sent after the Interim billing, approximately 2-3 weeks after the second installment due date. A second reminder notice to be sent after the final billing, 2-3 weeks after the second installment due date.

Tax Registration Procedures

First Warning Letter – To be sent to those property owners whose taxes will be two years in arrears as if January 1, to be sent before the end of January. Letter warning that the property in questions is eligible for tax registration procedures in the new year if the second year arrears are not paid by the end of February.

Second and Final Warning Letter – To be sent by registered mail, giving notice in March, that registration procedures will be commenced by the beginning of May, and, in the case of farmers, send A Notice of Intent to Realize On Security as required under the Farm Debt Mediation Act.

Properties will become registered, at a time convenient for the municipal staff, in May but no later than the end of June. All tax registration procedures will be governed by the Municipal Act.

Accepted Payment Methods

Payments are payable to the “Township of Chisholm”, 2847 Chiswick Line, Powassan ON P0H 1Z0 and must be received in the municipal office on or before the installment due date in order to avoid penalty and interest.

The following payment methods are accepted for property taxes:

- i. Payments may be received in person during regular business hours in the municipal office (2847 Chiswick Line, Powassan) by cash or cheque;
- ii. Cheques may be dropped into the after-hours dropbox located to the right of the main entrance of the municipal office;
- iii. Cheques may be mailed; however, the cheques must be received in the municipal office on or before the installment due date in order to avoid penalty and interest;
- iv. Payments may be made by telephone or internet banking. Taxpayers wishing to pay in this manner need to be aware that currently the typical processing time for Canadian

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financial institutions to transfer a payment to the township’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.

- v. Payments may be made in person at most Canadian financial institutions. As noted in (iv) above, the typical processing time for Canadian financial institutions to transfer a payment to the township’s account is at least 3 business This means that sufficient payment processing time should be considered when making payments at financial institutions to ensure the payment is received in advance of the due date.
- vi. In the near future, the township will be accepting Debit and Credit.

Communication to Council

Council will be provided with a monthly report of aggregate data of the current years property tax arrears and the three prior years for comparison.

Find attached examples of notices and written letter.

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THE TOWNSHIP OF CHISHOLM
 2847 CHISWICK LINE
 POWASSAN, ONTARIO P0H 1Z0
 705-724-3526

January 27, 2022

«Owner_Name1»
 «Owner_Name2»
 «Address1»
 «Address2»
 «Address3»
 «Postal_Code»

ROLL NUMBER: 4831«Jur»-«Roll»-0000
 «Property_Address»
 «Legal_Description»

Our records indicate that as of _____, the following taxes are owing:

| YEAR | TAXES | INTEREST |
|-------------------------|---------------|------------------------|
| 2015 & PRIOR | «M_3_Arrears» | «M_3_Interest» |
| 2016 | «M_2_Arrears» | «M_2_Arrears_Interest» |
| 2017 | «M_1_Arrears» | «M_1_Arrears_Interest» |
| 2018 | «Current» | «Current_Penalty» |

TOTAL BALANCE OWING:

| |
|---------|
| «Total» |
|---------|

Interest of 1.25% is added at the first of each month.

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We ask that you make every effort to pay this amount owing as soon as possible and bring your tax account up to date. The Township accepts monthly postdated cheques and will be glad to work with you on a payment plan that would enable you to clear your account.

Should you have tax arrears owing at the end of two years, your property becomes eligible for tax registration under the authority of Section 373(1)(2) of the Municipal Act, S.O. 2001, c. 25. We encourage you to begin regular payments on this account in order to avoid having to deal with this situation in future.

We thank you for your attention to this matter.

Yours truly,

(Mrs.) Linda Ringler, A.M.C.T.
Clerk-Treasurer

Corporation of the Township of Chisholm

Municipal Office: 2847 Chiswick Line, RR #4, Powassan, ON P0H 1Z0

Telephone (705)724-3526 - Fax (705)724-5099

info@chisholm.ca

Gail Degagne, Mayor
Jennistine Leblond, CAO Clerk-Treasurer

January

Name
Address
City, Prov. Postal Code

Dear Sir or Madam:

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Re: Arrears Taxes and Tax Registration Procedures
Roll No.: 4831-000-

On reviewing your account, we find that there are _____ and _____ taxes owing.

Your payment efforts with respect to the tax arrears owing on the above-noted property are appreciated. However, we regret to advise that the outstanding tax arrears does make your property eligible for tax registration as of January 1st, _____ under the authority of Section 373(1)(2) of the Municipal Act, S.O. 2001, c.25, as quoted below:

373(1) Registration of Tax Arrears Certificate

“Where any part of tax arrears is owing with respect to land in a municipality on January 1st in the second year following that in which the real property taxes become owing, the treasurer of the municipality, unless otherwise directed by the municipality, may prepare and register a tax arrears certificate against the title to that land.”

(2) Form

A tax arrears certificate shall indicate that the land described in the certificate will be sold by public sale if the cancellation price is not paid within one year following the date of the registration of the tax arrears certificate.

.../2

The total amount owing for the above-mentioned years, plus interest to December 31st, ____ is \$____. Please note that this amount does not include any post-dated cheques that may be on file in our office nor does it include penalty charges beyond the above-noted date.

In order to avoid tax registration procedures, a minimum payment of \$____ plus any accumulated interest to date is required by January 7, _____. Interest is applied at the first of every month at a 1.25% rate. Should you make your payment after February 1st, _____, please call the office for your revised minimum payment amount.

Thank you in advance for your prompt attention to this matter.

Yours truly,

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Jennistine (Jenny) Leblond
CAO Clerk-Treasurer