

THE CORPORATION OF THE TOWNSHIP OF GEORGIAN BAY

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Policy Name: Billing & Collecting Policy

1. Statement:

To establish a policy for the billing and collection of property taxes for the Township of Georgian Bay.

2. Purpose:

This policy will provide direction to staff in the Financial Services Department regarding the timely and efficient billing and collection of property taxes.

This policy will also provide an open and transparent framework for the tax billing and tax collection process and will provide a reference document for Township staff and Council in their communications with taxpayers.

The tax billing and collection process is an important activity for the Township of Georgian Bay as it's the primary source of revenue. This policy will help to:

- a) Establish a written policy outlining the procedures to be followed by staff in the taxation division of the Financial Services Department; and
- b) Set out consistent guidelines with regard to collection of property tax payments to the Township;
- c) Streamline activities and eliminate questions as to the appropriate steps required for collection;
- d) Ensure all activities conform to current legislation.

3. Authority

This policy has been created under the general authority of the *Municipal Act*. Although there are constant changes in legislation this policy shall attempt to be as accurate as possible and conform with the *Municipal Act*. In the case where current legislation differs from this policy, legislation shall be followed.

4. Definitions

Director of Financial Services: See definition of Treasurer

Finance Staff: Can be an employee within the finance department that has the appropriate training and knowledge

MPAC: which stands for Municipal Property Assessment Corporation is a legislated corporation that are responsible for providing property values and classes to all forms of municipal government in Ontario.

Treasurer: Can be intended as his/her designate, including but not limited to Accounting Clerk, Taxation & Revenue Coordinator and Deputy Treasurer



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5. **Tax Billing**

Real Property Tax is levied on the assessment determined by MPAC for real property within the Township in accordance with Section 307(1) of the *Municipal Act, 2001*.

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

- a) **Interim** tax bills will be issued in February of each year and will be due on the date specified in the by-law passed annually to provide for an interim levy. The interim levy shall have one (1) installment with due a date at the end of March. The interim amount billed is calculated as no more than fifty percent (50%) of the previous year's total taxes (annualized taxes).
- b) **Final** tax bills will be issued prior to the end of the 2nd fiscal quarter (end of June) of each year. The bill will be due on the date specified in the tax rate by-law passed annually. The final levy shall have one installment with due date at end of August.
 - The amount billed will be calculated based on the assessment value on the returned assessment roll and the final tax levy as approved by Council through the annual budget and the by-law passed in accordance with Section 312(2) of the *Municipal Act, 2001*. It may include one hundred percent (100%) of any Local Improvement, Business Improvement Area charge or other special charge as required under legislation.
 - Due dates will be clearly identified on the tax bill in accordance with the levying by-law passed by Council.
 - Tax bills will contain all required information as set out in Section 343(2) of the *Ontario Municipal Act, 2001*.
 - Public notices will be posted on the Township of Georgian Bay website and any other social media available to the Township. The notice will include:
 - A statement that the tax bills are being issued;
 - The due dates;
 - Contact name and information for inquiries; and
 - A statement to the effect of: "failure to receive a tax bill does not relieve the ratepayer of the obligation to pay taxes as they fall due".
- c) **Supplementary** tax billings: there are two sections of the *Assessment Act* that allow for taxation of property not included in the annual assessment roll. They deal with omitted and supplementary assessment:
 - i. **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 a maximum of two preceding years.
 - ii. **Supplementary** - Section 34 the *Assessment Act* allows for the taxation



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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.

Supplementary tax bills will be generated between the months of July and December or as soon as possible after each Supplementary Roll is received from MPAC and mailed in the same manner as Interim and Final tax bills. The due date will be at least 21 days following the mailing date. Supplementary bills will be issued to the current owner of the property at the time the bill is generated and shall be billed in one (1) installment.

6. Delivery of Tax Bills

- (a) The *Municipal Act, 2001* Section 343 (1) requires tax billings to be post marked and sent no less than twenty-one (21) calendar days prior to the due date. When possible, the Township will endeavor to mail the bills a minimum of 30 calendar days before the due date.
- (b) Any notice sent by ordinary mail is considered delivered to and received by the addressee unless the notice is returned by the Post Office or an error in the mailing address is proven.
- (c) Proof of delivery: Immediately after sending a tax bill, staff shall create a record of the date on which it was sent and this record is, in the absence of evidence to the contrary, proof that the tax bill was sent on that date in accordance with section 343(9) of the *Ontario Municipal Act, 2001*.
- (d) It is the taxpayer's responsibility to notify the Township of Georgian Bay of any mailing address changes. Section 343(6) of the *Municipal Act, 2001* identifies that tax bills shall be sent to the taxpayer's residence or place of business or to the premises where the taxes are payable for, unless the taxpayer directs the Township otherwise. Upon the purchase of a property the mailing address registered on file is the one registered during the sale of the property and being registered on title. Failure to notify the Township of any mailing address changes does not absolve the taxpayer from paying the taxes and charges.
- (e) When mail is returned to the Township efforts will be made to find the proper mailing address such as a preliminary search using 411, google, etc. Returned mail will be notes on the roll (electronically) but the physical mail will not be kept longer than six months.
- (f) As per Section 343(6.1) of the *Municipal Act, 2001* a treasurer may send tax bills electronically if the taxpayer has chosen to receive their tax bill in this manner.

7. Application of Payments

Section 347(1) of the *Ontario Municipal Act, 2001* outlines how payments are applied to outstanding balances:



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- a) 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.
- b) 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.

8. Accepted Payment Methods

Payments are payable to The Township of Georgian Bay, 99 Lone Pine Road, Port Severn, ON, L0K 1S0. All payments made will be dated the day they are entered in the financial system (unless there is a technological failure or other circumstances apply) The following methods will be accepted for payment of taxes:

- a) Cheques, cash or debit card may be accepted in person at the Township Office during normal working hours.
- b) Cheques may be placed in the after-hours drop-box at the front of the Township office or sent by mail. Post-dated cheques will be accepted and deposited not earlier than the cheque date.
- c) Payments may be made at most Canadian financial institutions.
- d) Pre-Authorized Payment Plan (PAPP) where funds are withdrawn on a monthly or set date (Due Dates) basis – see PAPP further down for more information.
- e) Payments may be made by a mortgage company or financial institution on behalf of a taxpayer.
- f) Other methods may become available through changes in technology and accordingly, the Director of Financial Services/Treasurer may add additional payment methods.
- g) Payment must be tendered in Canadian Funds. Payment tendered in US funds will be entered based on the exchange rate established by our bank on the day of the deposit.

9. Receipts

Receipts are provided when payments are made in person at the Township office. Otherwise receipts can be requested. If you are sending payments in by mail and would like a receipt, please include a self-addressed envelope with a stamp for the return of the receipt. Otherwise you can request a copy by e-mail at no cost, otherwise there is a fee to mail or fax receipts as per the Fees & Charges By-law.



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10. Collection Procedures

Arrears notices are mailed four (4) times per year in April, August, October and December. Notices are mailed to all accounts with a minimum balance of \$20.00 (the minimum amount is subject to change in accordance with the Fees & Charges By-Law) with the prescribed fee.

Accounts with arrears greater than year, a personalized letter and payment request will be sent in April advising the property owner of the two-year tax sale eligibility potential. If compliance is not forthcoming, a final demand letter will be mailed in October. All incur additional mailings costs which are added to the roll. These costs will vary depending on the Fees & Charges By-law.

Accounts with a full two-year arrears balance become eligible for tax sale registration on January 1 of the following year. The property will be included on the listing of eligible properties and tax sale proceedings will begin.

The Township engages the external use of a contractor for the tax registration process, due to the complexity of the process. Although an external agency is used all correspondence to taxpayers come from the Township and all questions, comments are directed to the Township as well. All costs associated to the Tax Sale Process are added to the tax roll involved.

Other collection procedures available for use are Rent Attornment, Seizure of Assets, Bailiff, Collection Agency and Tax Registration. The Treasurer has all of the collection procedures above at his/her disposal and discretion.

11. Minimum Balance Write-Off

In some circumstances, there remains a balance owing on a taxpayers account after a payment is received, which is often a result of interest being added to the account. When the balance of an account is small enough that the additional cost of collection would not be deemed worthwhile, it may be expedient to write off the amount. Finance Staff is authorized to write off amounts of \$5.00 and under on each account.

12. Late Payment Charge Adjustments

Late payment charges and/or interest are adjusted only in the following circumstances:

- a) Taxes are adjusted under Sections 354, 357, or 358 of the *Municipal Act, 2001* or other legislation.
- b) Taxes are adjusted following an Assessment Review Board Decision.
- c) Taxes are adjusted in accordance with a decision of the Courts.
- d) The interest or penalty was charged as a result of a gross or manifest clerical error or omission.

13. Other Fees & Charges

In addition to penalty and interest, the Township may add fees as approved in the annual Fees and Charges By-law. These may include the following but are not limited



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to:

- Arrears fees
- Account Transfers or Refund
- Additions to Roll (request from other departments or agencies in accordance with the *Municipal Act* or other legislation)
- Duplication of Tax Bills
- Letter or Statements regarding tax information
- Returned Funds (Cheques or PAPP)
- Tax Sales Costs

Non-Tax Debt are fees and charges imposed by the township or its local boards and constitutes a debt of the person to the Township. Non-tax debt can be added to the tax roll and collected in the same manner as municipal taxes. As per section 398 of the *Municipal Act*

Non-Tax Debt can originate through accounts receivable for items such as drain charges but are not limited to transfers from accounts receivable. They can be a direction from the treasurer upon proof of cost from other department heads, boards, or outside agency having jurisdiction.

14. Refund of Overpayment

The Township will generally only issue refunds for overpayment or credit balances when a request is received from the ratepayer. In the case of what appears to be a duplicate payment, refunds are not processed until a two-week period has passed to ensure that all postings have occurred. In most cases there are fees for refunds or overpayments. Please refer to Fees & Charges By-law

15. Processing of Returned Payments (NSF)

Returned payments are subject to an administrative fee in accordance with the Township's current Fees & Charges By-law.

16. Changes to Your Property

Depending on the type of change that has happened to your property you may qualify for a partial/full year of assessment changes. MPAC is responsible for all assessment changes. The Township can lend a hand in providing such forms and helping to fill them out. Many different options can be recommended to you including but not limited to:

- Request for Reconsideration
- Section 357 (fire, demolition, change in use, etc...)
- Section 358 (gross or manifest error)
- Severances/consolidation
- Construction/demolition

Section 357 & 358 applications must be made to the Treasurer on or before the last business day of February of the year following the year in respect the application is made. Application may be made by the owner of the land or person(s) having interest in the land. See legislation for more detailed information.



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As per Section 358 of the *Municipal Act* council may cancel reduce or refund all or part of the taxes levied on land in one or both of the preceding one or both of the two years preceding the year in which an application is made in relation to a gross or manifest error in the preparation of the assessment roll. The error must be clerical or factual in nature including the transposition of figures, a typographical error or similar errors, but not an error in judgment in assessing the property. It can also relate to a similar error under section 33 or 34 of the Assessment Act.

17. PAPP – Pre Authorized Payment Plan

The Township offers a payment option for having your taxes taken out directly out of your bank also known as EFT (Electronic Fund Transfer) or DW (Direct Withdrawal). Ratepayers can choose to pay their taxes on the due dates (see installment/Due Date below) therefore paying twice a year or on a monthly basis (see Monthly Below). The township monthly plan is offered to ratepayers in arrears and current. Monthly plans will be taken out on the 2nd Tuesday of every month. In order to make changes to your PAPP you need to make it 10 business days prior to the payment date in order to ensure that changes are made to your account. Failing to give the proper notification time, the township may not be able to make any adjustments.

Installment/Due Date:

Ratepayers can choose to have the payments taken out on the due dates that appear on their interim and final tax billing.

Monthly:

Arrears:

- 1) Ratepayers can set their monthly amount. For example \$250/month
- 2) Calculated to catch up an arrears account within a 2-year period.

Current Balance:	\$2,000
Next Year Taxes:	\$2,100
Estimates interest:	\$500
TOTAL:	\$4,600
Monthly Payments:	\$191.67 (based on 24 equal payments)

Current:

January and February payment would be similar to the end of the previous year. If you are new on the plan, an estimated amount will be calculated according to last year taxes divided by twelve. In February you will receive your interim bill with your new payment amount for the month of March, April, May, and June. This amount will be calculated on the amount of your bill less any credits on account (for example your January and February payment) and divided by four (for the corresponding months). In June we will send out your final billing with your payment amount for July, August, September, October, November and December. (The payments for January and February of the following year will be the same as the December payment) This payment will be based on the balance of the account divided by six for the remainder of the year.



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18. Severability

Notwithstanding that any section of sections of this policy, or any part, or any part thereof, may be found by any court of law to be invalid or beyond the power of the Council to enact, such clause, schedule or parts thereof shall be deemed to be severable, and all other clauses and schedules of this policy or parts thereof, are separate and independent therefrom and enacted as such.

19. Legislation Changes

As legislation is always evolving and changes are frequent, current legislation will take precedence over any section of this policy that becomes obsolete. Every effort will be made to update and re-distribute this policy as substantial changes occur.