

Schedule "A"
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Property Tax Billing and Collection Policy & Procedure

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VILLAGE OF MERRICKVILLE-WOLFORD

Property Tax Billing and Collection Policy & Procedure

PURPOSE

This policy is to:

- 1) Provide for legislated policy requirements, such as the various property tax rebate programs, etc.
- 2) Establish efficient and effective methods to be used for the collection of realty taxes utilizing various procedures, such as the Municipal Act.

Consistency in the application of these procedures is critical to:

- Reduce tax arrears,
- Ensure conformance with provincial legislation,
- Ensure that all property owners are dealt with in a consistent and fair manner, and
- Ensure openness and transparency relating to the manner, policies, and procedures through which the Municipality bills and collects property taxes.

ACRONYMS, ABBREVIATIONS, DEFINITIONS

Village – means The Village of Merrickville-Wolford

MA – Municipal Act

MPAC – means the Municipal Property Assessment Corporation

OPTA – means the On-Line Property Tax Assistance program which is used to assist municipalities in calculating the capping of the various properties that fall within the capping legislation. The Province has engaged the services of a company under the name of Reamind to provide that service to Municipalities.

ARB - means the Assessment Review Board

MOS – means Minutes of Settlement

RFR – means Request for Reconsideration

PRAN – means Post Roll Assessment Notice

ANA – means Assessment Notice Amendment

PROCEDURES:

Section A – BILLING & PAYMENTS

A.1 Billings

Interim

As provided in the Municipal Act each property owner, identified on the returned assessment roll, shall be mailed an interim tax bill. The interim bill shall represent up to fifty percent (50%) of the previous year's taxes billed and be payable in one instalment. This interim bill shall be mailed at the beginning of February. The due date will be February 28th, or the first business day prior to these dates should they fall on a weekend/holiday.

Participants in the monthly preauthorized payment program will have received a notice in the preceding December advising of what their monthly payment withdrawal from their bank account will be. Therefore, interim tax bills will not be mailed to participants in the monthly preauthorized payment program.

Final

After completion of the annual budgetary process, and the setting of tax ratios and rates, a final bill shall be mailed to each property owner identified on the returned assessment roll. The final tax bill shall be the levied taxes for the year less the interim bill, and be payable in two instalments. This final bill will be mailed at the beginning of July. The two due dates will be July 31st and September 30th, or the first business day prior to these dates should they fall on a weekend/holiday.

All participants in any preauthorized payment program will receive a tax bill with a note on the bill that they are a participant in a preauthorized payment plan and that the bill is for information purposes only.

Supplementary

After receiving notification from the Municipal Property Assessment Corporation (MPAC) tax bills shall be calculated, printed, and mailed to each property owner identified on the supplementary/omitted assessment notification listing from MPAC.

All participants in the instalment preauthorized payment program will receive a tax bill, with a note on the bill that they are a participant in a preauthorized payment plan and that the bill is for information purposes only.

Participants in the monthly preauthorized payment program will receive a note advising that they must pay the supplementary bill over and above their current monthly payment plan. This is because the supplementary bill may be processed closer to the end of the year and there would not be sufficient time to accommodate a monthly payment plan.

Due Dates

The Municipal Act section 343 (1) provides that each property owner be given twenty-one (21) days notice to pay when receiving a tax bill. However, the Village requires that where ever possible that property owners be given thirty days notice of a tax bill, and that all due dates be the last business day of the month.

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Mortgage Company

A mortgage listing of roll numbers, taxes due and owing and the due dates, in format requested by the financial institution, will be provided to each mortgage company who has provided the Village with notification that they hold an interest in a particular property.

A.2 Payments

The Municipal Act section 346 authorizes the Municipality to accept payments from a financial institution to the credit of the Treasurer of the municipality.

Payment of taxes must be received in the Village's administrative office, or be post marked, on or before the due date. The following are the modes of payments that are available for the property owner's use:

- a) Telephone Banking – using the fifteen digit roll number as the account number;
- b) Computer Banking – using the fifteen digit roll number as the account number;
- c) One of the Town's Preauthorized Payment Plans;
- d) Post Dated Cheque(s);
- e) In person, at the counter or drop box of the Village's administrative office at 317 Brock St W., Merrickville;
- f) Payment's by a mortgage holder;
- g) Other alternatives as approved by the Treasurer.

Receipts will be provided for all cash payments and upon request by the registered owner for all other methods of payment. To registered owners whose payments are made on their behalf by a mortgage company, the receipted tax billing will be sent to the registered owner after payment is received by the mortgage company.

A.2.1 Method

Payments may be made using one or more of the following methods:

- a) Cash,
- b) Cheque,
- c) Money Order, and/or
- d) Debit.

If a property has been registered through the Municipal Tax Sale process the payment MUST be in the form of a certified cheque or bank draft.

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A.2.2 Application of Payments

In accordance with the Municipal Act 347 payments shall be applied as follows:

- 1) First to the oldest and all penalty and interest,
- 2) Then to the taxes starting with the oldest taxes up to the current,
- 3) Then to other charges added to the roll.

A.2.3 Preauthorized Payment Program

To assist property owners on fixed incomes, and/or who prefer to equalize their annual tax payments the following preauthorized payment plans are offered.

- a) **Monthly** – provides for a withdrawal from the property owner’s bank account to the Village bank account, on the **first (1st) day of each month** an amount sufficient enough to ensure that all taxes billed are paid within the current year. Property owners are eligible if their account is paid up to their chosen date of enrolment. If balances remain on the applicable tax account penalty and interest does not apply. If a property owner’s payment fails to clear the bank, three (3) consecutive times, the applicant relinquishes their right to participate in the program.

The dollar amount to be withdrawn from the participants account shall be recalculated twice a year:

- 1) Once in October, calculating a monthly amount based on the previous current year’s taxes averaged over twelve payments, to take effect on November 1st of the following year. For example in October 2016 take the total taxes for 2016 and divide them by 12. This would give the monthly withdrawal amount commencing on November 1st 2016, and
 - 2) After the calculation of the final bill. In both cases the property owner shall receive a notification as to the dollar amount change. The calculation would be the current year’s taxes, less what has been paid, divided by the remaining months (or withdrawals) in the year.
- b) **Instalment** – provides for a withdrawal from the property owner’s bank account to the Village’s bank account, **on the due date** an amount sufficient enough to ensure that all taxes due and payable on the said date are paid in full. Property owners are eligible if their account is paid up to their chosen enrolment date. If a property owner’s payment fails to clear the bank, three (3) consecutive times, the applicant relinquishes their right to participate in the program. Penalty and interest will be applied to all amounts past due.

To participate in any of the Preauthorize Payment Plans applicants must submit an application on the Village’s prescribed form and submit it twenty (20) calendar days prior to the payment withdrawal date.

Participants in the program wishing to make changes to their application (for example banking information), or cancel their participation in the program must do so in writing within twenty (20) calendar days prior to the payment withdrawal date.

A.3 Returned Payments

Payments not clearing the payer's bank will result with the payment being removed from the applicable tax account and an administrative fee, as indicated in the Village's User Fee Bylaw, being added to the applicable account.

The payer shall be advised of the returned payment, administrative fee, and the current balance due and owing on their account.

A.4 Penalty and Interest

In accordance with the Municipal Act, section 345 and the Municipality's bylaws, penalty and interest shall be charged at the rate of 1.25% per month on any tax arrears that remain outstanding on the first calendar day of each month.

The penalty run is generated in the first three (3) business days of the month, retroactive to the first day so as to allow for post-marked mail, on-line banking and payments made at a financial institution.

Penalty and interest adjustments are only authorized:

- 1) For Write-offs and adjustments of taxes under Section 357/358 of the Municipal Act,
- 2) For ARB write-offs and adjustments,
- 3) When approved by the Treasurer for gross and manifest error.

Section B – COLLECTION OF ARREARS

B.1 Methods of Collection

Dependent upon the age of the arrears all property owners whose property taxes are in arrears may have their taxes collected via:

- A) Reminder Notices – sent monthly,
- B) Rent Atonement as allowed by legislation – one to two years in arrears (refer to the Residential Tenancy Act),
- C) Municipal Tax Sale Process - after 3+ years of arrears, and/or
- D) Any other means deemed necessary by the Treasurer.

B.2 Reminder Notices

To encourage and/or remind, property owners that their tax account is not in good standing the Finance Department shall send a reminder notice to each property owner, whose account is over twenty-five dollars (\$25.00) in arrears. Reminder notices shall be forward to the property owner on or before the fifteenth (15th) day of the month immediately following the last instalment month in which a due date has occurred.

The Municipal Act requires that the Treasurer send a statement on or before February 28th of each year to any property owner who has arrears on their respective tax account. The statement must be the balance at December 31st.

B.2.1 Two Years in Arrears

On or about the fifteenth (15th) of November each year the Property Tax Aged Trial Balance shall be reviewed for property owner's whose taxes will be three years in arrears on January 1st of the next year. All affected property owners shall receive correspondence by the end of November to the effect that as of January 1st the property taxes will be three or more years in arrears and therefore be eligible for the Municipal Tax Sale Process.

B.2.2 3+ Year in Arrears

All properties with taxes which are three or more years in arrears, as of January 1st each year, shall have the Municipal Tax Sale process enacted.

Prior to commencing the Municipal Tax Sale process each affected property owner shall receive a notice by the end of January to the effect of the impending Municipal Tax Sale process and firmly encourage them to pay up the outstanding taxes or make payment arrangements within 30 days, approximately by the end of February.

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B.2.3 Arrears Payment Plans/Arrangements

Any payment arrangements made before arrears are registered should be documented specifying the time schedule, method of payment and the amount of each payment. At the Treasurer's discretion, no plan should exceed a period of twenty-four (24) months.

B.2.4 Key Performance Indicators

To facilitate focus on the collection process in order to accrue cash flow benefits to the Town, the following is the desired administrative practice:

- 1) Tax arrears should be reconciled to the General Ledger on a monthly basis;
- 2) A report including the aging by dollar, the number of accounts and by percentage of total arrears for current, 1 year, 2 year and 3+ years should be prepared for the Treasurer on a monthly basis;
- 3) A report summarizing the status of each property eligible for registration for tax sale and each property currently registered for tax sale should be prepared for the Treasurer on a monthly basis.

B.3 Municipal Tax Sales Process

The Municipal Act section 371 authorizes the Treasurer to proceed with the Municipal Tax Sale process if a tax account has any outstanding taxes which are 3+ years in arrears. The Act is very stringent as to the process that MUST be followed, and is very date sensitive. The following is a brief summary of the steps that must be followed:

B.3.1 Prior to Sale

1. The Farm Debt Advisement is mailed 15 days prior to the registration of the property.
2. **Tax Arrears Certificate (TAC)** is registered on the title of the property at the local registry office.
3. **First Notice** is given within 60 days of registration of the Tax Arrears Certificate to all interested parties which show as having an interest in the property at the land registry office.
4. **Treasurer's Declaration** must be sworn declaring that the first notices have been sent out.
5. **Payment** may be received (go to step 11).
6. **Extension Agreement** may be requested by the property owner prior to expiration of one year from the date of the registration of the TAC (go to step 13). Note: If the extension agreement is breached at Step 16 where only Steps 1 to 4 have been completed before the agreement was entered into, the process proceeds with Step 6 as though the agreement had never been entered into.

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7. **Final Notices** are sent within 30 days of the expiry of 280 days after the registration of the TAC, warning of the pending sale of the property.
8. **Treasurer`s Declaration** must be declared confirming the sending of the final notices to all registered interested parties.
9. **Redemption Period Expires** one year from the date of the registration of the TAC.
10. **Method of Sale** – the Municipal Act provides that the property may be sold by sealed tender, or public auction. The Town`s preference is by sealed tender. If sold by public tender go to Step 19. If sold by public auction go to Step 36.

B.3.2 Tax Arrears Paid

11. **Payment received** prior to expiry of the one year redemption period the Treasurer shall issue a receipt.
12. **Cancellation Certificate** is registered by the Treasurer, the sale of the property has been averted, and the Municipal Tax Sales process ends. The cancellation price is the minimum acceptable offer.

B.3.3 Extension Agreement

13. An **Extension Agreement** must be requested by the property owner, their spouse, the mortgage holder or their legal agent, prior to the one year period of the registration of the TAC.
14. If **no agreement is reached** as to the terms, and or the agreement is denied by Council, the sale proceeds by returning to the point where the stop in the tax sale process was at immediately prior to the extension agreement being requested.
15. A **Bylaw** must be passed by Council authorizing that an extension agreement may be entered into with the property owner prior to the expiration of the one year period from the date of registering the TAC.
16. When an **extension agreement is entered into** a copy shall be placed in the Town property files and the sale process is suspended or placed on hold until all the terms of the agreement have been fulfilled.
17. When there is a **breach of the agreement** the tax sale process recommences by returning to that step in the tax sale procedure immediately prior to the extension agreement being entered into.
18. When the **terms of the agreement have been fulfilled** the Treasurer shall register a Cancellation Certificate on the land title, thus signifying that the tax sale has been averted, and the process stops.

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B.3.4 Public Tender – Sale of Land

19. Steps 1 to 10 must be completed before moving to the sale of the land. **Land is advertised for sale**, once in the Ontario Gazette and once a week for four weeks in a local newspaper.
20. **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.

21. If there is **no successful bidder** go to Step 35, OR **Highest tender** or two highest tenders are selected – go to Step 22. The minimum acceptable bid is the cancellation price.
22. **Notice sent to highest bidder** request payment of the balance of the amount tendered, applicable land transfer tax, and accumulated taxes. Ensure that all tax sale costs have been added to the Collector`s Roll.
23. **Payment is received from the highest bidder** within 14 days of the date of the notices of highest bidder mailing the Treasurer shall issue a receipt and declare the highest bidder to be the successful purchaser. Go to Step 31.

If **no payment is received** within 14 calendar days of the mail of the notice the deposit is forfeited. A notice is then sent to the **second highest bidder** – see Step 24.

Where there is no second highest bidder the Treasurer shall declare that there is no successful purchaser. Go to Step 35.

24. **Notice sent to second highest bidder** – the Treasurer shall send a notice requesting payment of the amount of the tender within 14 calendar days of the mailing of the notice.
25. When the **payment is received from the second highest bidder** within 14 days the Treasurer declares the second highest bidder to be the successful purchaser. Go to Step 31.

B.3.5 Public Auction – Sale of Land

26. **Land is advertised for Sale** once in the Ontario Gazette and once a week for four weeks in a local newspaper.
27. **Auction is held.** The minimum acceptable bid is the cancellation price.
No bid is made on initial sale, or upon reopening of bidding; highest bidder fails to make payment. Go to Step 35.

Bidder immediately pays. The Treasurer declares the bidder as the successful purchaser. Go to Step. 28.

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28. **Auctioneer issues receipt** to successful purchaser.
29. **Auctioneer declares auction closed.**
30. **List of all lands auctioned** is prepared by the auctioneer for the Treasurer. Go to Step 31.

B.3.6 Tax Deed Issuance and Registration

31. **Sale proceeds** less the cancellation price, is paid into the Superior Court of Justice together with the Statement of Facts. Ensure that all of the tax sale costs have been added to the Collector's roll before declaring the surplus funds.
32. **Tax deed and statutory declaration** of the Treasurer is registered on title.

Note: The cancellation price may be paid by the former owner anytime before title has been transferred, including when there has been a successful purchaser by tender or by auction.
33. After one year the Court may **forfeit the funds to the Municipality** upon application. The Treasurer applies to the Superior Court of Justice for payment out of court of the amount that was paid in, subject to certain limitations.
34. The **balance of the sale price** received from the court shall be paid into the general funds of the municipality. There is no requirement to apportion these funds with the school board(s) or County.

B.4 VESTING

B.4.1 Vesting in the Municipality

35. 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 two (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 Tax Administrator 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 assets and advertised for sale.

Section C – WRITE OFFS, REBATES, ETC.

From time to time the Village will receive, via various modes discussed below, notifications of change in assessment or tax class. Upon receipt of the notification the Village will process the calculation within two months of receipt of the notification, depending on whether or not the final billing for the affected tax year has been calculated and mailed. This will facilitate the Village maintaining a balanced Collector's Roll as it relates to the amended Assessment Roll.

Some of the types of assessment notifications that may affect the assessment value on a property which may result in a write off or reduction in taxes are:

- Applications For Reduction in Assessment - under section 357 & 358 of the Municipal Act
- Assessment Review Board (ARB) Decision – under Assessment Act
- Minutes of Settlement (MOS) – under Section 40 of the Assessment Act
- Request for Reconsideration (RFR) – under section 39.1 of the Assessment Act
- Post Roll Assessment Notice (PRAN) – under the Assessment Act
- Advisory Notice of Adjustment (ANA) – under of the Assessment Act
- Vacant Commercial & Industrial Unit Rebates – under section 364 of the Municipal Act
- Charity Rebates – under section 361 of the Municipal Act
- Legion Rebates – under section 6.1 Assessment Act

Commercial and Industrial property owners must contact MPAC and attempt to arbitrate a change in assessment prior to filing any of the above noted applications, with the exception of the *Application For Reduction in Assessment*. If a successful outcome is achieved MPAC will issue an RFR, have the property owner sign, and then send an executed copy to the Village for processing.

C.1 Penalty & Interest Reversal on Write Offs

As per the Municipal Act section 345 (6) & 345 (7) penalty interest that has accrued on a property tax account as the result of non payment, and a write off taxes has occurred as the result of one of the legislation tax reduction methods; the penalty and interest shall be reversed as though the taxes had originally been billed correctly.

C.2 Application for Reduction in Assessment – Municipal Act, Section 357 & 358

Under Section 357 and 358 of the Municipal Act applications may be made to the Village, for reduction in assessment, by the property owner, or their agent for the following reasons:

- Building was razed by fire,
- Building was demolished,
- Ceases to be liable for the tax rate that the property had been originally billed at,
- Became exempt from property taxation,
- Is damaged and substantially unusable,
- A Mobile unit is removed,
- Experiences a Gross or manifest clerical / factual error,
- Is under repairs / renovations preventing normal use (min. 3 months).

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The prescribed form must be completed and returned to the Village of Merrickville-Wolford. Said form may be obtained from the municipal web site at www.merrickville-wolford.ca, or at the administrative offices at 317 Brock St W., Merrickville, Ontario K0G 1N0.

The Municipal Act requires that the following procedure occur:

- 1) An application may only be made by the owner of the land at the time of the application or by another person who has an interest in the land, or a tenant or occupant, or is the spouse of the owner.
- 2) An application under this section must be filed with the Treasurer on or before February 28th of the following year in respect of which the application is being made. For example an application being made to affect the 2016 assessment must be filed on or before February 28, 2017.
- 3) Applications are then forwarded on to the MPAC for their recommendation of assessment value, and or tax class, change.
- 4) The tax change is calculated by the Treasurer, using the recommended changes from MPAC.
- 5) The applicant must be advised fourteen days in advance of Council holding a public meeting.
- 6) Council holds a public meeting, at which time the applicant may make representation to Council regarding the recommended tax write off.
- 7) At the conclusion of the public meeting Council makes a decision with respect to the amount of the tax change.
- 8) The applicant must be advised within fourteen (14) days after Council makes the decision as to what Council's decision was.
- 9) The applicant has thirty-five (35) days to appeal to the Assessment Review Board if they do not agree with Council's decision.

On or before the 14th day following the Council's decision, the Treasury department shall calculate the change in taxes, and notify the property owner accordingly (see item 8).

C.3 Assessment Review Board Applications

Property owners may apply to the Assessment Review Board (ARB), on the prescribed form to appeal their assessment. The deadline for these types of appeals is March 31st of the current year, for the current year's taxation assessment. Applications, fees, and deadlines are available on the ARB web site at www.arb.gov.on.ca.

After receipt of an ARB decision the Village shall recalculate the taxes for the affected year or years on or before the 10th of the following month, and notify the property owner accordingly.

C.4 Minutes of Settlement

Minutes of Settlement are issued after a property owner has applied to the Assessment Review Board, and MPAC has negotiated a settlement, with the property owner, prior to going to the assessment review board hearing. MOS will be sent to the municipality by the ARB or MPAC.

MPAC will provide a copy of this decision to Reamind for OPTA tracking.

This type of request will be processed by the 10th of the following month after receiving the notice from MPAC.

C.5 Request for Reconsideration

Requests for Reconsideration are issued by MPAC after negotiating a settlement with the property owner prior to a property owner making application to the ARB. Normally the property owner would contact MPAC who then would meet with the property owner and both parties would come to a consensus as to what the outcome would be. MPAC would issue the RFR, get the property owner's signature of agreement on it, and then send a copy of that agreement to the Municipality. The Municipality may choose to appeal the RFR or process it without objection.

This type of request will be processed by the 10th of the following month after receiving the notice from MPAC, or a Notice of Decision from MPAC.

C.6 Post Roll Assessment Notices

These are notices that are issued by MPAC advising the property owner and the Village that a change in assessment has occurred after the return of the assessment roll.

This type of request will be processed by the 10th of the following month after receiving the notice from MPAC, or a Notice of Decision from MPAC.

C.7 Advisory Notice of Adjustment

These notices are required by the Assessment Act to adjust the Current Value Assessment (CVA) starting point and phased-in assessments following a change to a property's assessment, when no other notice is otherwise required to be sent to the property owner. Most often they are sent following an Assessment Review Board (ARB) decision.

C.8 Vacant Commercial & Industrial Rebates

The Municipal Act section 442 requires that every municipality must provide for vacant commercial and industrial rebates.

There are specific guidelines relative to these type of applications and includes:

EXCLUSIONS:

A building or portion of a building will not be eligible for a rebate if:

- It is used for commercial or industrial activity on a seasonal basis;
- During the period of vacancy it was subject to a lease, the term of which had commenced; or
- During the period of vacancy it was included in a sub-class for vacant land.

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ELIGIBILITY

Category 1 – Buildings that are Entirely Vacant

A whole commercial or industrial building will be eligible for a rebate if the entire building was unused for at least 90 consecutive days.

Category 2 – Buildings that are Partially Vacant

A suite or unit within a commercial building will be eligible for a rebate if, for at least 90 consecutive days, it was unused; **and** clearly delineated or physically separated from the used portions of the building; **and** either capable of being leased for immediate occupation, undergoing or in need of repairs or renovations that prevented it from being available for lease for occupation, or unfit for occupation.

A portion of the industrial building will be eligible for a rebate if, for at least 90 consecutive days if it was unused; **and** clearly delineated or physically separated from the used portions of the building.

WHO & WHEN TO APPLY

An owner, or their agent, may apply:

- Once a year before February 28 of the year following, the taxation year to which the application relates.

OR

- Twice a year. An interim application may be made after the first six (6) months, and a second application may be submit for the second six (6) months of the year.

The final application must be submitted on or before February 28th of the year following the taxation year to which the application relates.

APPLICATION CONTENT

A complete application must include:

- 1) A completed application form ensuring that all portions have been completed including:
 - The Property Information,
 - If applying for only a portion of the building a drawing of the building must be provided indicating what portion of the building is vacant,
 - A completed questionnaire,
 - If the building is for rent or lease, a copy of proof that it is being offered for rent or lease. For example: a copy of a newspaper ad.
- 2) Any other information the Village Treasurer may request.

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REBATE PAYMENTS

Rebates will be applied:

- First to any outstanding tax liability on the property as per A.2.2,
- Any other arrears owed to the Village, and
- After which a cheque will be issued in favor of the current property owner as of the cheque issue date. If an applicant is in the process of selling their property they are urged to ensure that their solicitor is aware of this application and of the possibility of a pending rebate.

Applications are available on the Village's web site at www.merrickville-wolford.ca or at the Village's administrative offices at 317 Brock St W., Merrickville, Ontario K0G 1N0.

C.9 Charity Rebates

The Municipal Act, section 361 requires that every municipality shall have a Charity Rebate program.

C.9.1 Eligibility

The purpose of this program is to provide tax rebates:

- To eligible charities occupying properties in the Commercial or industrial tax class that were previously exempt from paying the Business Occupancy Tax (BOT),
- To organizations as defined under section 6.1 of the Assessment Act (for example: a Royal Canadian Legion),
- This policy recognizes that the Fair Municipal Finance Act, 1997 may have impacts on the amount of property taxes such organizations are required to pay, either directly or indirectly, and provides relief in the form of tax rebates subject to certain conditions as set out in the policy.

C.9.2 LEGISLATIVE AUTHORITY

The Municipal Act, 2001, section 361 has been used to determine how charitable organizations are to be treated for property tax purposes.

The Assessment Act, section 6.1 provides the authority for a municipality to pass a bylaw to exempt certain properties from municipal taxation. School taxes and local improvements still apply.

C.9.3 GENERAL PRINCIPLES

a) Other Organizations Eligible for Tax Rebates:

To be eligible for tax rebates, organizations must meet the following criteria:

- i) Be a charitable organization as defined in subsection 248 (1) of the Income Tax Act and have a registration number issued by the Canada Customs and Revenue Agency;
- ii) Be occupying property in the commercial or industrial tax class;
- iii) If leasing, be able to identify the amount of taxes included in their lease payments.

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C.9.4 New Charitable Organization - moving to a property with a Commercial or Industrial tax class.

New charitable organizations will be considered for rebates provided the conditions in C.9.3 b) i) and iii) above are met.

Rebates will be provided for charities that commence eligible occupancy on a date after January 1st of the year in which the rebates would apply.

Under these circumstances, the rebate amount will be determined from the date of occupancy through the remainder of the taxation year.

C.9.5 APPLICATION PROCEDURE

Eligible organizations must apply for the tax rebate on an annual basis as follows:

- applications for tax rebates will be accepted and processed by the Treasurer;
- applications will be accepted between Jan 1st and of the tax year and February 28th of the following year;
- applications from eligible charities re-locating within the year will be **accepted up until February 28th** of the following year for rebates for the current taxation year;
- applications must;
 - be made on the standard application form which will be available at the Village of Merrickville-Wolford administrative offices and on the municipal website at www.merrickville-wolford.ca,
 - be accompanied with current verification of charity status from the Charities Directorate, which may be obtained at the Canada Revenue Agency web site at www.cra-arc.gc.ca,
 - Where a tenant is applying provide a copy of the lease, or written confirmation from the landlord, indicating the amount of the applicable property taxes paid.

C.9.6 AMOUNT OF THE TAX REBATE

Tax rebates for Legions will be 100% of the taxes paid, providing that all of the conditions in C.9.3 a) above are met. Tax rebates for all other eligible charities will be 40% of the taxes paid by the eligible charitable organization, providing that all the conditions in C.9.3 b) above are met.

If the eligible Charity is required to pay an amount under section 367 &368 of the Municipal Act, 2001, which deals with gross leases and flowing through of taxes, the amount of the rebate shall be calculated using the total of the amounts the charity is required to pay under this section.

Tax rebates shall not include any Provincial or Federal taxes.

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C.9.7 PAYMENT OF CHARITY TAX REBATES

Tax rebate cheques will be made payable to the applicant by the Village of Merrickville-Wolford as follows:

1. A rebate relating to the current taxation year, submitted prior to the last final due date shall be paid as follows:
 - 50% within 60 days of the municipality receiving an application
 - Remaining 50% within 120 days of the municipality receiving an application after the last final due date.

2. A rebate relating to the previous year's taxes, filed by February 28th of the following year:
 - 100% of the rebate within 120 days of an application being received.

Section D Legion Rebates

Section 6.1 of the Assessment Act authorizes a municipality to pass a bylaw to exempt certain properties from municipal taxation. School Taxes and local improvements will still apply.

Eligibility:

To be eligible for tax rebates, Legions must meet the following criteria;

- i) Be defined under section 6.1 of the Assessment Act;

- ii) If leasing, be able to identify the amount of taxes included in their lease payments.

See Section C.9 of this report for the procedures relating to this program.

Section E Refund of Credit Balances

From time to time property tax accounts may experience credit balances for various reasons, such as:

- Duplicate payment of a tax instalment(s),
- Mortgage company and property owner both pay an instalment,
- A reduction in assessed value,
- A change in a tax class to lesser tax rate class, and/or
- Preauthorized Payments made in advance of an instalment being due.

Credit balances will **not be refunded** under the following conditions:

- 1) Duplicate payment of a tax instalment – the property owner must request in writing to have the overpayment refunded.
- 2) Mortgage company and property owner both pay an instalment – the property owner must request in writing to have the overpayment refunded, and direct who the overpayment is to be returned to. Further-more no overpayment will be refunded unless all instalments billed have been cleared.
- 3) Mortgage company over pays an instalment – because the Village is not aware of the agreement between the financial institution and the property owner the Village will only refund the financial institution overpayment on the written direction of the property owner. Further-more no overpayment will be refunded unless all instalments billed have been cleared, unless the property has been sold to another owner.
- 4) Preauthorized Payments made in advance of an instalment being due.
- 5) Prior to refunding any credits from the property tax account, the Village will verify that all other debts with the Village (utilities, and miscellaneous accounts receivable, etc.) have been cleared prior to releasing a credit refund. The Village reserves the right to offset credits on property tax accounts with other debt.

Credit balances on tax accounts **will be refunded** under the following terms and conditions:

- 1) Credits as the result of an assessment reduction will be refunded. However, only after the last instalment billed has been cleared. For example: a prior year assessment reduction is calculated in February; the interim tax bills are generated the first week in February with the last instalment on the interim billing due on the last business day in February. Any credit balance on the account will be applied first to the two instalments and then any remaining credit balance will be refunded to the registered property owner at the time the cheque is issued,
- 2) Credit balances being refunded will be issued to the property owner at the time the cheque is issued. Property owners selling properties who have outstanding applications should ensure that their solicitors are aware of possible tax reductions. The Village will not divide credit balances

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between previous and current owners as the result of a tax reduction. This is mainly because the Village does not have knowledge of, nor wish to negotiate, legal agreements that may or may not be in place between the seller and the purchaser.

- 3) In the event the Mortgage Company no longer represents the property owner and there has been an overpayment of any instalment, at the written request of the property owner the overpayment will be refunded. The property owner will also specify in the written request to whom the refund should be made payable.
- 4) Prior to refunding any credits from the property tax account, the Village will verify that all other debts with the Village (tax arrears, utility arrears, miscellaneous accounts receivable, etc.) have been cleared. The Village reserves the right to offset credits on property tax accounts with other debt.

Section F Severance/Consolidation of Property(s)

From time to time, property owners will apply for severances of their properties under the authority of the Planning Act. If granted by the Planning Committee the assessment values must also be split between all the parcels of land. As part of their legislated services MPAC provides the divided assessment information. Under the authority of the Municipal Act, section 356 the Treasurer may divide the assessment roll into the parcels being severed and direct the property taxes accordingly.

Upon receipt of the divided assessment from MPAC the Village will monitor the report to ensure that MPAC picks up the split for the following year's returned assessment roll.

As most severed portions of land are sold the Village will not recalculate the property taxes for a part year. It is understood that the seller's and buyer's lawyers would address who owes what as part of the property sale process.

Consolidations are processed by MPAC at the written request of the property owner. Property owner should contact MPAC directly.

Section G Low Income Senior or Low Income Disabled Deferral

Section 319 of the Municipal Act requires that a municipality shall have a policy for the provision of a Low Income Senior or Low Income Disabled deferral.

Deferral – the taxes are not forgiven nor written off – it is still a lien on the property and must be addressed at some point.

To qualify for a Low Income Senior or Low Income Disabled Deferral the following criteria must be met:

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- 1) The applicant, or spouse, must occupy the property as personal residence and have been assessed as the owner of the occupied residential property.
- 2) The applicant, or spouse, must be in receipt of benefits from one of the programs as outlined in the application form.
- 3) Applicants must supply proof of receipt of benefits from the program specified on the application. An example of which would be a photocopy of the most recent cheque received from the specified program.
- 4) Eligible applicants will be allowed to defer \$50.00 or more of their annual property taxes which resulted from a change to the assessment of the residential property pursuant to the requirements of the Fair Municipal Finance Act and the Municipal Act, as amended.
- 5) In the event of a tax deferral is granted, no interest charges will be added to the amount deferred.
- 6) To maintain eligibility, the applicant's property taxes must be current.
- 7) In the event of transference of title of the property, the remaining amount of all taxes deferred shall become due and payable on the date of transference of such title.
- 8) Earlier repayment could be based on an individual taxpayer's financial circumstances, or as a result of tax sale of the property.
- 9) All deferred taxes become due on the disposition of the property.
- 10) In the event that it is later determined that the applicant is not eligible for deferral of taxes as indicated under the eligibility criteria, the deferred taxes will be withdrawn and the applicant must repay the deferred taxes in full.
- 11) The applicant must complete the appropriate Village form and submit it to the Treasurer at 317 Brock St W., PO Box 340, Merrickville, ON K0G 1N0.
- 12) Written proof of receipt of benefits or application for benefits must be attached to the application. An example of appropriate proof of receipt of benefits is a photocopy of a recent cheque. If an application for benefits is pending approval, a photocopy of the completed application must be attached to the application.