

**The Corporation of the City of Temiskaming Shores**

**By-law No. 2019-013**

**Being a by-law for the Adoption of a Municipal Property Tax Policy**

**Whereas** Section 306 to Section 389 inclusive of the Municipal Act, S. O. 2001, c. 25 as amended, provides legislation with respect to municipal property taxes;

**And whereas** Council considered Administrative Report CS-046-2018 at the December 18, 2018 Regular Council meeting and directed staff to prepare the necessary by-law to adopt a Municipal Property Tax Policy for the City of Temiskaming Shores for consideration at the December 18, 2018 Regular Council meeting;

**Now therefore** the Council of the Corporation of the City of Temiskaming Shores enacts the following as a by-law;

1. That Council for the City of Temiskaming Shores adopts a Municipal Property Tax Policy identified as Schedule "A", attached hereto and forming part of this by-law.
2. That By-law No. 2007-045, as amended is hereby repealed.
3. That this By-law shall come into force and effect on the date of its final passing.
4. That the Clerk of the City of Temiskaming Shores is hereby authorized to make any minor modifications or corrections of a grammatical or typographical nature to the By-law and schedule after the passage of this by-law, where such modifications or corrections do not alter the intent of the by-law.

**Read a first, second and third time and finally passed** this 18<sup>th</sup> day of December, 2018.

  
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Mayor – Carman Kidd

  
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Clerk – David B. Treen



Schedule "A" to

**By-law No. 2019-013**

**Municipal Property Tax Policy**

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## City of Temiskaming Shores Property Tax Policy

### 1. Purpose

The purpose of this policy is to establish clear procedures for effective and efficient property tax billing and collection while ensuring that ratepayers are treated fairly and equitably.

It will also provide a guideline for other taxation issues such as assessment.

### 2. Definitions

The words and phrases defined in this section have the following meaning for the purposes of this By-law.

**"Arrears"** means unpaid taxes.

**"Appeal"** means the process by which a property owner can formally challenge the assessment of the property. The document is to be filed with the Assessment Review Board by March 31<sup>st</sup> of the current assessment year with the applicable filing fees.

**"Assessment"** means the current market value of the property.

**"Assessment Review Board (ARB)"** means the independent tribunal of the Province of Ontario that reviews assessment issues.

**"Business Improvement Area"** means a designated area in the downtown core within the former Town of New Liskeard.

**"Cancellation Price"** means an amount equal to all the realty tax arrears owing on a parcel of land at any time in respect of land together with all current realty taxes, interest, penalties and reasonable costs incurred by the City.

**"City"** means the City of Temiskaming Shores.

**"Deferral"** means the payment of taxes is suspended until the property is sold or transferred.

**"Due Dates"** means the specific dates as set by by-law by Municipal Council for the collection of taxes.

**"Fee Simple"**

**"Final"** means the last tax billing of the year which bills the property at the tax rates as set by Municipal Council by by-law in order to meet budget requirements.

**"Improved Land"** means land that has a building(s) situated on the property.

**"Installment"** means the payments as set by council for the collection of taxes. There are 4 installments in each taxation year.

**"Interest"** means the charge imposed each month on the due and unpaid taxes.

**"Interim"** means the first tax billing of the current tax year which represents a maximum 50% of the previous year's tax levy.

**"Land Transfer Tax"** means the amount payable to the Minister of Finance based on a percentage of the purchase price of the property.

**"Local Improvements"** means additional charges such as water and sewer that are imposed against the property. Local improvements are specific to the individual property.

**"Low Income Disabled Person"** means a person in receipt of an increment paid under the Ontario Disability Support Program Act (ODSP).

**"Low Income Senior"** means a person who is 65 years of age or older and in receipt of an increment paid under the Guaranteed Income Supplement Program (GIS) as established under Part II of the Old Age Security Act (Canada).

**"Municipal Property Assessment Corporation (MPAC)"** means the independent body that is responsible for determining assessment values and classifying properties according to use for each of the four million properties in Ontario.

**"Notice of Vesting"** means the document registered at the Land Registry Office that confers title of the property to the City where there has been no successful tender of a parcel of land and the sale has not been cancelled by the City Treasurer.

**"Payment Agreement"** means a mutually agreed upon payment schedule whereby payments are made on a monthly basis in order to facilitate the collection of unpaid taxes.

**"Penalty"** means the charge imposed on the due and unpaid taxes on the first day of default.

**"Pre-Authorized Payments (PAP)"** means the program established for the automatic withdrawal of payments on an installment or monthly basis for taxes due.

**"Public Tender"** means the process used during a Tax Sale to receive bids on the eligible properties by interested parties.

**"Receipt"** is the official document showing proof of payment.

**"Request for Reconsideration (RFR)"** means the official documentation to be completed and filed with the Municipal Property Assessment Corporation (MPAC) in order for them to review the assessment on the property based on the arguments stated in the document. The deadline for filing this request is December 31<sup>st</sup> of the current taxation year and there is no filing fee.

**"Supplementary/Omit"** means an additional billing that is assessed against the property for improvements, new buildings or change of use.

**"Tax Arrears Certificate (TAC)"** means the document that is registered at the Land Registry Office for properties that have tax arrears dating back two (2) years.

**"Tax Deed"** means is the document registered at the Land Registry Office in the name of the successful purchaser/tenderer of the property after payment of the balance of the cancellation price.

**"Taxes"** means the municipal and education amounts levied against the property.

**"Tax Levy"** means the amount of money required to be raised for budget purposes through taxation.

**"Tax Rates"** means the rates as set by by-law by Municipal Council annually in order to collect the tax levy required for budget purposes.

**"Vacancy Rebate"** means the process whereby property owners of commercial and industrial properties can apply for a reduction of taxes for unused portions of the property.

**"Vacant Land"** means land that does not have any building(s) situated on the property.

### 3. Bill Procedures

Property taxes will be billed by *interim* and *final* tax billings established by Municipal by-law each year in accordance with the provisions of the *Municipal Act, 2001*.

*Installments* for the interim and final billings will also be established by Municipal by-law. There will be four installments per year due on or about the 15<sup>th</sup> day of the month in which they are due.

The minimum amount for one installment is \$100 and will be implemented on the interim and final billings. The \$100 means that the total tax bill will not be split into two installments unless the total amount of the bill is more than the \$100 minimum.

#### a) Interim Tax Bill:

Interim bills will be mailed out in February of the current year with the installments being due in the months of March and May.

The interim amount levied on a property shall not exceed 50 percent of the total amount of taxes for municipal and school purposes levied on the property for the previous year (Municipal Act, 2001 s.317(3)).

#### b) Final Tax Bill:

Final bills will be mailed out once the final budget and *tax rates* have been established by Municipal by-law.

Your final tax bill will be based on the current assessment value and will reflect any changes in municipal taxes and the education portion of your taxes. The *Municipal Property Assessment Corporation (MPAC)* is responsible for placing a value on all properties in Ontario. From the information supplied by MPAC, the City of Temiskaming Shores calculates the tax amounts and issues the tax bills.

**c) Supplementary/Omit Tax Bill:**

A *supplementary/omit* tax bill is issued by the *City* and reflects any additions or improvements you have made to your property.

You receive a supplementary/omit tax bill for one of the following reasons:

**Building Assessment:**

- you had some renovations/improvements done to your property that has increased its current value;
- you have constructed a building on the property

**Reclassification:**

- there has been a change in the use of your property resulting in change in the tax class or your property assessment

From the information supplied by MPAC, the City of Temiskaming Shores calculates the tax amounts due and issues the tax bills. Until the City receives information from MPAC, a supplementary/omit tax bill cannot be issued. Consequently; there may be a considerable time lapse from the effective date of the supplementary until you receive a tax bill.

Supplementary/omit tax bills are due in two installments.

**d) Calculation of Taxes:**

Property taxes are calculated by multiplying the assessed value of the property by the tax rate for the specific tax class. In addition, special charges and *local improvements* may apply.

Example of breakdown calculation

Assessed Value	Municipal Rate	Municipal Property Tax Portion
\$100,000	.0135541	\$1,355.41
	Education Rate	Education Property Tax Portion
\$100,000	.0026400	\$264.00
		Total Municipal & Education Taxes
		\$\$1,619.41

\* Please note that, if applicable, other charges such as local improvements (tile drainage loans), water, sewer, solid waste diversion fee, or *business improvement area* charges might be added to your tax bills.

**e) Billing Adjustments:**

Other charges such as water, sewer or solid waste diversion fee are property specific and

are billed annually on the tax bills. The codes for the charges are very specific in what is being billed and it is essential that the property owner review these charges to ensure they are being billed for the correct number of units on their dwelling.

Water, sewer and solid waste diversion are a per unit charge as per the annual by-laws passed by Council.

Should a property be billed incorrectly for local improvements, it is the responsibility of the property owner to advise the taxation department. Upon said notification, the City reserves the right to perform an inspection to ascertain the status of said property. An affidavit will also be required to be completed by the property owner swearing to the correctness of the information being provided.

Billing adjustments will be made for the current year and on a go forward basis. The tax department will not adjust any billing errors for prior years as it is impossible to confirm the status of the property at that point in time.

#### **4. Collection Procedures**

##### **a) Application of Payment:**

Payments shall be applied to the tax account as provided in the Municipal Act. 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 the charges imposed later. The payment shall then be applied against the taxes owing according to the length of time they have been owing (Municipal Act, 2001 s.347 (1)(2)).

No part payments shall be accepted on a property in respect of which a tax arrears certificate is registered (Municipal Act, 2001 s347(3)).

##### **b) Payment Options:**

Payments can be made in person at the City's Administration office located at 325 Farr Drive. The hours of operation of the municipal office are 8:30a.m. to 4:30p.m., Monday thru Friday. Cheques, cash or debit payments are accepted.

Post-dated cheques will be accepted and held for deposit as they become due. Post-dated cheques can be mailed, dropped off in person or after hours.

Payments can be mailed to: City of Temiskaming Shores, P.O. Box 2050 Haileybury ON P0J 1K0. If making payment by mail, please remember to include the tax bill stub.

Payments may also be made at participating banks. Internet, telebanking and pre-authorized payments options are also available.

For after hour payments, there is a drop box located at the City of Temiskaming Shores Administration building located on 325 Farr Drive or at the Pool & Fitness Centre located at

77 Wellington Street South.

Payments received at the City Administration office shall be recorded as received by the City on the date received or on the date of the cheque if postdated. Payments made at the banks or by internet or telebanking options shall be recorded as received by the City on the date received by the bank.

It is the responsibility of the property owner to ensure that payment is received by the due date or month end in order to avoid penalty/interest charges.

**c) Pre-Authorized Payment Plans:**

*Pre-authorized payment (PAP)* plans are available with an installment (*due date*) or monthly payment option. The property owner must apply in writing on the prescribed form to enroll in the payment plan indicating their preferred option. A VOID cheque must accompany the application.

Forms to apply for the PAP plans are available at the City's administration office located at 325 Farr Drive or online at [www.temiskamingshores.ca](http://www.temiskamingshores.ca).

The payments under the monthly option will be withdrawn on the last working day of each month. The payments under the installment option will be deducted on the installment due date.

If the monthly option is chosen, the property owner will receive a letter prior to the first payment, indicating the monthly payment amount. Once the final tax rates have been set by council and the final tax bills generated, a recalculation of the monthly payments will be processed in order to facilitate collection of the taxes in the current taxation year. A letter will be forwarded to the property owner indicating any changes to the current monthly payments.

In December the final tax bill and a letter indicating the new monthly payment schedule beginning in January of the following year will be mailed to the property owner.

If the installment option is chosen, the property owner will receive the final tax bill, indicating that the property is on the PAP plan with the amount of the installments and the applicable due dates.

**Defaulted Payments:**

Defaulted payments under the pre-authorized payment plan will be subject to the fee as prescribed in the City of Temiskaming Shores Departmental User Fee and Services by-law for returned payments. The property owner will be notified of the defaulted payment and will be required to pay the defaulted amount along with the applicable fee. Failure to pay the full amount will result in the property being removed from the PAP program.

Should a property incur more than two (2) defaulted payments, they will automatically be removed from the PAP program.

A letter of notification will be forwarded to the property owner under both scenarios.

**d) Post-dated Cheques – Monthly Payment Plan**

For property owners that would like to pay their taxes monthly but for which the pre-authorized monthly payment plan is not an option, an alternate monthly payment plan is available. The conditions of the plan are that a minimum of eleven (11) monthly postdated cheques must be submitted to the office paying sufficient funds to cover the previous year's taxes. Upon receipt of the final tax billing, the balance owing **must** be paid by December 31<sup>st</sup> of the current year in order to be eligible for the plan in the upcoming tax year. There will be no penalty assessed to the unpaid portion of the taxes under this alternate plan. Failure to comply with the conditions will result in penalty being applied from the date of default forward.

**5. Arrears Collection**

**a) Mailing of Tax Reminder Notices:**

Tax Reminder Notices of past due taxes shall be mailed to all accounts in *arrears* over \$10.00 in the month following the last installment of the final billing.

In January of each year a Tax Reminder Notice of past due taxes and the related late penalty/interest charges shall be mailed to every taxpayer who owes taxes from a preceding year as per Section 348(2) of the Municipal Act.

The fee for a Tax Reminder Notice as prescribed in the City of Temiskaming Departmental User Fee and Services by-law shall be applied to every property that a Tax Reminder Notice is issued to.

**b) Eligible TAC (Tax Arrears Certificate) Properties:**

Each year, the Treasurer shall compile a list of properties that will be two years in arrears effective January of the following year.

**i) Pre-Registration Collection Process**

A First Notice – Pending TAC Registration shall be forwarded after the second installment of the interim billing to each affected property owner outlining that the property will be eligible for registration for tax arrears in January of the following year. A fee as prescribed in the City of Temiskaming Shores Departmental User Fees and Services by-law will apply to this notice.

Subsequent to the second installment of the final tax billing of the year, a Final Notice – Pending TAC Registration will be forwarded to all properties that are still in a position to be registered for tax arrears. Property owners will be advised that a sufficient lump sum payment is required or a written agreement be entered into, in order to avoid registration of the property.

After the mailing of the Final Notice – Pending TAC Registration letter but prior to the registration of the Tax Arrears Certificate, the Treasurer shall attempt to contact the property owner by various means such as telephone, email, facebook, etc. to facilitate payment or a payment agreement with the property owner.

If a Payment Agreement is entered to with the property owner, a fee as prescribed in the City of Temiskaming Shores Department User Fee and Services by-law will apply.

If contact by these means is unsuccessful, the Treasurer shall conduct a title search of the property to determine if there are any lienholder/mortgagors on title to contact. The Treasurer shall attempt to contact the lienholders/mortgagors on title to try to facilitate payment of the outstanding tax arrears.

All fees incurred during the pre-registration collection process and title searches shall be applied to the property tax account. The prescribed fees for title searches are as per the Minister of Finance Teranet program. Administrative fees will be applied as prescribed in the City of Temiskaming Shores Departmental User Fees and Services by-law.

If these attempts at contact are unsuccessful, then the Treasurer shall proceed with the tax registration process.

The registration of a *Tax Arrears Certificate (TAC)* shall be in accordance of the Municipal Act, 2001 Part XI Sale of Land for Tax Arrears (s. 371 to s. 389 inclusive).

**c) Tax Arrears Certificate (TAC):**

If taxes remain unpaid on *vacant or improved land* for two (2) years prior to January 1<sup>st</sup> of any year, the City may begin a tax sale process by the registration of a Tax Arrears Certificate. These timelines apply to both residential and non-residential classes or property.

A Tax Arrears Certificate indicates that the property may be sold if taxes, penalties, *interest* and the TAC administration fees as prescribed in the City of Temiskaming Shores Departmental User Fees and Services by-law are not paid within one year of the registration of the certificate. Once a certificate has been registered, partial payments cannot be accepted unless a TAC extension agreement is in place (Municipal Act, 2001 s.347(3)).

**i) Tax Sale:**

If the *cancellation price* is not paid before the expiry of the one-year redemption period, these properties are advertised for sale by *public tender*. Advertisements are published in a local newspaper for four consecutive weeks and the Ontario Gazette for one week. The advertisement will also be posted on the City of Temiskaming Shores website [www.temiskamingshores.ca](http://www.temiskamingshores.ca).

The sales are always subject to certain rules and follow procedures, which have been established by legislation. At these sales, the minimum acceptable offer on a property is always the cancellation price which includes all taxes levied (whether due yet or not) to this date, all late payment charges to the date of the sale, all items added to the tax roll having

priority lien status and all administration fees.

**ii) Tender Bids:**

Using forms provided by the City, the bid plus a certified cheque, bank draft or money order for 20% of the tendered amount must be submitted in a sealed envelope prior to the specified time. To be eligible, bids must be at least equal to the advertised minimum tender amount. The successful purchasers will be required to pay the amount tendered, accumulated taxes, penalties and interest, HST, if applicable and the relevant land transfer tax.

From the day of notification to the highest bidder, this eligible bidder has 14 days to complete the transaction. All tax properties are sold without warranty and are sold as is. Further information will be made available at the time of advertising of the Tax Sale Properties.

**iii) Tax Sale Process:**

The Municipal Act provides important definitions including the following summaries:

- Cancellation Price – means an amount equal to all the realty tax arrears owing on a parcel of land at any time in respect of land together with all current realty taxes, interest, penalties, and reasonable costs incurred by the City.
- Tax Deed – is a *tax deed*, as prescribed by section 379 of the Act, provided to the successful purchaser of the property after payment of the balance of the Purchase Price.
- Notice of Vesting – means a *notice of vesting* prepared under subsection 379 of the Act conferring title to the City where there has been no successful tender of a parcel of land and the sale has not been cancelled by the City Treasurer.

A Tax Sale of any property is subject to cancellation up to the time of the tender opening without any further notice.

The minimum bid is the Cancellation Price.

A separate tender must be provided for each parcel bid on and must be in the form provided. No substitutes can be accepted.

The tender must be accompanied by a deposit of at least 20% of the tender/bid amount by way of money order, bank draft, or certified cheque payable to the City of Temiskaming Shores.

The City is not obliged to provide a survey or reference plan for any parcel of land being sold under tax sale.

The Treasurer is not obliged to inquire into the value of land prior to conducting a sale.

Furthermore; there is no obligation to obtain fair market value for the land to ensure that land being sold under tax sale may obtain fair market value at the time of the sale or in the future.

Prior to submitting a tender, the onus is on the potential bidder to conduct his/her own inquiries into such matters as zoning, access, work orders, water/hydro and other arrears/building restrictions, or title problems. The City makes no representations what so ever as to the quality and/or quantity of the land being purchased.

The following departments/agencies may be in a position to provide assistance in respect of the tax sale property:

Planning and Development: 705-672-3363

Municipal Property Assessment Corporation (MPAC): 1-800-296-6722 or [www.mpac.ca](http://www.mpac.ca).

Potential bidders are further advised that a lawyer should be retained in order to ensure that his/her interests are protected prior to the submission of a bid/tender.

The City does not conduct tours or provide access to properties being sold under tax sale.

The City does not provide legal opinions to potential bidders in respect of issues which may arise in the context of a public sale. If two bids of equal amount are tendered, then the person who submitted the earlier bid will be deemed to be the higher bid.

The successful tender is the highest bidder who has submitted a properly completed tender and who makes payment (by certified cheque/bank draft/money order) within fourteen calendar days of being notified by mail of the balance of the amount tendered, the appropriate land transfer tax and the accumulated taxes to the City.

**Accumulated taxes** are amounts that have been added to the tax roll, such as additional charges, taxes and/or interest and penalty, after the first day of advertising.

**Land Transfer Tax** is an amount payable to the Minister of Finance by certified cheque, cash or money order. Any questions in respect of Land Transfer Tax may be directed to the Registry Office.

If the highest bidder does not submit the remaining funds as described, then the highest bidder's deposit is forfeited and the land is offered in the same manner to the second highest bidder who then has fourteen calendar days from the date of notification to remit the monies owing to the City.

A **Tax Deed** which is provided to the successful purchaser at the time when the balance of the Purchase Price is paid, transfers title of the land in "fee simple" subject generally to:

- Easements and restrictive covenants; and
- Estates and interest of the Crown in right of Canada or the Province of Ontario (e.g. execution in favour of the Ministry of Finance); and

- Adverse possession interests by abutting owners, if any.

The City is not required to provide vacant possession of any properties which may be occupied and accordingly, should the purchaser require vacant possession, a court application, at his or her cost, may be required. Further, the City DOES NOT have a key to the property and is not in a position to provide one to the purchaser.

## 6. Penalty

Municipal Act, 2001 s. 345(1) states that "A local municipality may, in accordance with this section, pass by-laws to impose late payment charges for the non-payment of taxes or any installment by the due date".

A percentage charge, not to exceed 1 ¼ percent of the amount of taxes due and unpaid, may be imposed as a penalty for the non-payment of taxes on the first day of default or such later date as the by-law specifies (345(2)).

Interest charges, not to exceed 1 ¼ percent each month of the amount of taxes due and unpaid, may be imposed for the non-payment of taxes in the manner specified in the by-law but interest may not start to accrue before the first day of default (345(3)).

Penalty and interest charges are deemed to part of the taxes on which charges have been imposed.

## 7. Rebate and Relief Programs

### a) *Vacancy Rebate Applications:*

The Municipal Act, 2001 provides for rebates to vacant business units at the same percentage as discounts afforded to property owners of vacant and excess land. These percentages are 30% for commercial properties and 35% for industrial properties.

Property owners who are eligible for a rebate must submit an application to the municipality each year that a building, or a portion of a building, is vacant. The deadline to submit an application for a tax year is February 28<sup>th</sup> of the following year.

To be eligible for a rebate, a building or portion of a building must satisfy the following:

- Buildings that are entirely vacant – A whole commercial or industrial building will be eligible for a rebate if the entire building is vacant for at least 90 consecutive days.
- 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 – 1) capable of being leased for immediate occupation; or 2) not capable of being leased for immediate occupation because it was undergoing or in need of repairs or renovations or was unfit for occupation.

A portion of an industrial 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.

#### **b) Charitable Rebate Applications:**

Under Municipal Act, 2001 s. 361(1) every municipality shall have a tax rebate program for eligible charities for the purpose of giving them relief from taxes on eligible property they occupy.

The program is applicable to registered charities that are tenants in a commercial or industrial class property. The landlord may be contacted by the charity to provide certain information that the City requires in order to process their application. Deadline for the current year is February 28<sup>th</sup> of the following year.

The minimum percentage prescribed for the calculation of a rebate is 40%.

Registered charities must apply every year for the rebate by completing an application and returning to the City of Temiskaming Shores taxation department.

The application forms are available at the City's administration office located at 325 Farr Drive and online at [www.temiskamingshores.ca](http://www.temiskamingshores.ca).

#### **c) Tax Relief for Eligible Low Income Seniors and Low Income Disabled Persons**

Under Municipal Act, 2001 s. 319(1) a municipality shall pass a by-law with the purpose of relieving the financial hardship through the provision of tax relief to eligible *low income seniors* and *low income disabled persons* for assessment related tax increases on property in the residential/farmland property class.

##### **i) Persons Eligible for Tax Relief**

- i) Persons eligible for tax relief are low income seniors, low income disabled persons or the spouse of such eligible persons owning and occupying property in the residential/farmland property class;
- ii) For the purposes of this program, a low income senior is a person who is 65 years of age or older and in receipt of an increment paid under the Guaranteed Income Supplement Program (GIS) as established under Part II of the Old Age Security Act (Canada);

- iii) For the purposes of this program, a low income disabled person is a person in receipt of an increment paid under the Ontario Disability Support Program Act (ODSP);
- iv) Tax relief for eligible low income seniors and low income disabled persons applies to tax increases on residential property owned and occupied by the eligible person;
- v) Tax relief is provided upon each reassessment after 1998 and the amount of tax relief will be determined in accordance with Section 7(c)(iv) of this policy;
- vi) For the purposes of this program, owner means a person assessed as the owner of the residential real property and includes an owner within the meaning of the Condominium Act;
- vii) No tax relief shall be allowed to an eligible owner in respect of residential real property for more than one (1) family dwelling unit in a given year;
- viii) For properties which are jointly held or co-owned by persons other than spouse, the co-owners must qualify under applicable eligibility criteria in order to receive the tax relief;
- ix) For residential properties of more than one unit and less than seven units, tax relief will be granted on a prorated basis for the unit occupied by the eligible owner only;
- x) For the purposes of this program, "spouse" means a person
  - 1. to whom the person is married, or
  - 2. with whom the person has cohabited for at least one year, or
  - 3. with whom the two are together the parents of a child, or
  - 4. with whom the two have together entered into a cohabitation agreement under Section XX of the Family Law Act
- xi) Tax relief amounts are not transferable to deceased owners.

**ii) Form of Tax Relief**

Tax relief shall be in the form of a **deferral** of the annual eligible amount provided that:

- i) Such eligible owner or the spouse of such owner or both occupies or occupy the property for which the relief is requested as his, her or their principal residence;
- ii) Such eligible owner or the spouse of such owner or both has or have been assessed as the owner of the property for which the relief is requested for a

period of not less than one year immediately preceding the date of application of relief;

Tax relief granted in this program will **not** be subject to interest charges.

Tax relief applies to current taxes only, not tax arrears. Tax relief amounts will not be deferred until payment is received in full for any past year's amounts payable.

**iii) Repayment of Tax Relief (Deferral):**

Annual eligible amounts shall be deferred until the property is sold or transferred, at which time the total amount deferred, including any part year portions, becomes a debt payable to the City of Temiskaming Shores.

If at any time, an eligible person for which tax relief has been granted in accordance with this policy, ceases to be an eligible person, all tax relief ceases and all amounts previously deferred, including any part year portions, become a debt payable to the City of Temiskaming Shores.

**iv) Amount of Tax Relief (Deferral):**

Tax deferrals for low income seniors and low income disabled persons apply to tax increases on property in the residential/farm property class as follows:

- a) tax relief is provided in each year of reassessment;
- b) applications will be accepted for deferrals where the impact exceeds \$300.00;
- c) tax increases are the difference between the total taxes levied on the property in the year preceding reassessment and the total taxes levied in the year of a reassessment;
- d) water/sewer charges **are not** part of a property's tax assessment and therefore increases in water/sewer rates are not applicable in calculating the reassessment implications for a property.

**v) Application Procedure:**

Eligible low income seniors and low income disabled persons must apply for tax relief as follows:

- i) applications will be addressed to the Treasurer of the City of Temiskaming Shores;
- ii) applications will be on the prescribed form;
- iii) applications must be submitted on or before October 1<sup>st</sup> in the year in which the application applies;
- iv) applications must include documentation establishing that the applicant is an

- eligible person and that the property for which the application is made is an eligible property;
- v) by signing the application form, it is assumed that the applicant has read and understands the City's tax relief program to low income seniors and low income disabled persons;
  - vi) applications must be made **annually** to the City of Temiskaming Shores to establish continued eligibility;
  - vii) verification of documentation provided with an application may be carried out independently, at the discretion of the City.

The application forms are available at the City's administration office located at 325 Farr Drive and online at [www.temiskamingshores.ca](http://www.temiskamingshores.ca).

## 8. Payment Agreements

Should the property owner be unable to pay the installments of taxes as they become due, the City will accept partial payments. Penalty as per Section 5 of this policy will be applied to any/all unpaid principle until such time as the account is paid in full. The application of the payment will be in accordance of Section 4 (a) of this policy.

Should property taxes fall into arrears and are in a position to be registered for a Tax Arrears Certificate registration (as per Section 4 (b)), a formal *payment agreement* **must** be entered into with the Treasurer in order to suspend the registration process.

The amount of taxes in arrears will be reviewed with the Treasurer and the property owner and a mutually satisfactory payment agreement will be entered into. The payment agreement should attempt to clear the entire balance of arrears owing in a reasonable period of time, however financial circumstances will be taken into consideration.

The agreement will be signed by the property owner who will receive a copy of the agreement in addition to a Statement of Account showing the status of the tax arrears as of the date of signing. A fee as prescribed in the City of Temiskaming Shores Department User Fee and Services by-law will apply.

Payment options will be available such as postdated cheques, internetbanking, telebanking and pre-authorized monthly payments. Any defaulted payments will be subject to the returned payment fee as per Section 9 of the policy and will automatically null and void the payment agreement. Should the property still have taxes two (2) years in arrears at this time, the property will be registered for tax arrears.

## 9. Defaulted Payments

Any payment that is defaulted (whether due to insufficient funds, account closed, etc) shall be reversed and a fee as prescribed in the City of Temiskaming Shores Department Fees and Services by-law will be applied.

## **10. Receipt Policy**

Upon attendance at the City's administration office with payment of taxes, a *receipt* will be issued. There will be no charge for this service.

If postdated cheques are submitted no receipt will be issued as the cheques must be held for deposit until they become due. A confirmation of the receipt of the cheques may be issued upon request.

Payments received by mail will not be issued a receipt. If a receipt is required, the entire tax bill must be submitted with payment along with a self-addressed, stamped envelope. If no envelope is submitted, the receipted bill will be held in a file for pick-up. There is no charge for this service.

For those properties who have a mortgage company interest registered on title, a mortgage listing is forwarded to the mortgage company for payment. Upon receipt of the payment, the paid tax bill will be forwarded to the taxpayer for their files. There is no charge for this service.

For any property that is enrolled in the pre-authorized payment installment program (PAP-I), the tax bills are mailed out to the property owner prior to the first installment to ensure that the taxpayer received the information prior to withdrawal of the first payment. Should any property owner on the PAP installment plan require an official receipt, it will be issued at no charge.

If enrolled in the pre-authorized payment monthly program (PAP-M), a copy of the paid tax bill will be mailed to the property owner in December. This tax bill is the receipt of taxes paid for the year. Should an official receipt be required the fee as prescribed in the City of Temiskaming Shores Departmental Fees & Services by-law will apply.

In the case where a property has been sold throughout the year, no receipt will be issued. When the property is sold, there is a calculation by the lawyers to determine which portion of the taxes pertains to each property owner (old and new). The information on the tax system is based on the property as a whole and no breakdown is available to allocate to each property owner.

Should you require a record of payment of your annual tax bill or require a duplicate statement for a previous year a fee as prescribed in the City of Temiskaming Shores Departmental User Fees and Services by-law will apply.

Only ONE tax bill will be issued. If you require a duplicate tax bill, a fee as prescribed in the City of Temiskaming Shores Departmental User Fees and Services by-law will apply.

The request for a receipt or record of payment must be in writing and paid in full prior to staff processing the request.

Tax information will not be provided by telephone.

## **11. Non-Tax Debt**

As per Section 398 (1) of the *Municipal Act, 2001* identifies debt as "fees and charges imposed by a municipality or local board on a person constitute a debt of the person to the municipality or local board, respectively".

Section 398 (2) states that non-tax debt can be added to the tax roll and collected in the same manner as municipal taxes.

"Section 398 (2) Amount owing added to tax roll – The treasurer of a local municipality may, and upon the request of its upper-tier municipality, if any, or of a local board whose area of jurisdiction includes any part of the municipality shall, add fees and charges imposed by the municipality, upper-tier municipality or local board, respectively, to the tax roll for the following property in the local municipality and collect them in the same manner as municipal taxes:

1. In the case of fees and charges for the supply of a public utility, the property to which the public utility was supplied.
2. In all other cases, any property for which all of the owners are responsible for paying the fees and charges."

### **a) Non-Tax Debt - Other**

#### **Procedure:**

- i) All fees and charges will be initially processed thru the Accounts Receivable module.
- ii) If an invoice remains unpaid for 60 days or more, a reminder letter will be generated from the Finance Department. A deadline for payment will be applied and notification that the unpaid invoice will be added to the tax roll if it remains unpaid past the deadline.
- iii) If the invoice remains unpaid after the imposed deadline as stated in the reminder letter, the charge along with all penalty accrued to date will be transferred from the Accounts Receivable module and added to the tax roll for collection purposes.

The scope of fees and charges that will be added to the tax roll if unpaid include but are not limited to the following:

- i) Facility rentals (hall, ice, equipment, marina, storage, etc.)
- ii) Program fees (memberships, registrations, user fees, etc.)
- iii) Cemetery fees

### **b) Non-Tax Debt – Property Related Charges (30 days)**

#### **Procedure:**

- i) All fees and charges will be initially processed thru the Accounts Receivable module.
- ii) If an invoice remains unpaid for 30 days, the charge will be transferred to the tax roll for collection purposes.
- iii) If the invoice remains unpaid after the transfer to the tax roll, penalty will be applied at a rate of 1.25% per month.

The scope of fees and charges that will be added to the tax roll if unpaid include but are not limited to the following:

- i) Water On/Off Charges
- ii) Water/Sewer Connection Fees
- iii) Property Standards Orders and Executions
- iv) Building Department Notices and Orders

**c) Non-Tax Debt – Property Related Charges (Direct to Tax Roll)**

**Procedure:**

- i) All fees and charges will be directly applied to the tax roll for collection purposes and is due upon application.
- ii) Penalty will be applied at a rate of 1.25% per month on any unpaid charge.

The scope of fees and charges that will be added to the tax roll if unpaid include but are not limited to the following:

- i) Defaulted Payment Fee
- ii) Building Permit Fees

**12. Responsibilities**

Who is responsible? There are three governments and one corporation that play a role in property assessment and taxation.

**Assessment and Tax Legislation – Province of Ontario**

The Provincial Government sets the legislative framework for assessment and taxation in Ontario. It does this by creating legislation, called Provincial Statutes. The Government also creates regulations, which are authorized under the Statutes. The principal ministry involved in setting assessment and taxation policies is the Ministry of Finance, through the Assessment and Municipal Acts.

## **Assessed Value – Municipal Property Assessment Corporation**

The Municipal Property Assessment Corporation (MPAC) is responsible for determining assessment values and classifying properties according to use, for each of the four million properties in Ontario. These values are used to calculate property and education tax rates and to determine the amount each property is taxed. Assessment information is provided to taxpayers in November of each year through a Notice of Assessment and to municipalities in December through the Assessment Roll.

The City of Temiskaming Shores uses the information supplied by MPAC to set tax rates and to calculate your tax bill. MPAC is separate and independent from the City and is governed by its own Board appointed by the Minister of Finance.

### **How is my assessment determined?**

The City of Temiskaming Shores does not determine the value of your property. This is done by the Municipal Property Assessment Corporation (MPAC) which is completely separate and independent of the City of Temiskaming Shores. The Assessment Act requires that the assessed value of your property be based on what the property would likely sell for on a specific date. Local property sales occurring around that date provide a basis as to the assessed value of similar, unsold properties. MPAC continually collects information about properties to ensure that those with similar features (age, size, location, construction, etc.) have similar but not necessarily identical assessed values.

### **I disagree with my assessment.**

If you believe that your property assessment is incorrect, you should first contact the Municipal Property Assessment Corporation (MPAC) to discuss your assessment or verify details about your property. If you still have concerns, you may ask MPAC for a formal reconsideration of your assessment. For complete details on the Reconsideration process, please go to the MPAC website at [www.mpac.ca](http://www.mpac.ca).

There is also an appeal process through the *Assessment Review Board (ARB)*. Full details on how to appeal your assessment to the ARB may be obtained through their website ([www.arb.gov.on.ca](http://www.arb.gov.on.ca)).

A tax account is only adjusted when the City is notified of the change in assessment by MPAC or the ARB. It is recommended that taxes continue to be paid while an appeal or reconsideration is underway to avoid penalty and interest charges in the event that the appeal or reconsideration is not successful. There may be a significant delay between the time an assessment is appealed and a decision is rendered.

### **Is my assessment right?**

Ask yourself if your assessed value is close to what you would have expected to sell your property for. What were similar properties selling for. MPAC provides an on-line service called About My Property. Using this service, property owners can review basic assessment information for their own property and other properties. Further information can be obtained

from MPAC at [www.mpac.ca](http://www.mpac.ca) or by calling 1-866-296-6722.

## **Taxes**

The City of Temiskaming Shores collects property taxes on behalf of the city and the Province of Ontario (education taxes). Each level of Government is responsible for its own tax rates.

### **How are Tax Rates Calculated?**

Annually, the City of Temiskaming Shores establishes a budget to provide municipal services, infrastructure and capital. Taxes represent approximately 35 percent of the City's budget needs. A tax rate is calculated in accordance with Provincial legislation which meets the funding requirements identified in the budget. The Province sets the education tax rate for all properties.