



REPORT FIN-2014-03

TO: Mayor and Members of Council

FROM: Mary Hasan, Director of Finance/Treasurer

SUBJECT: Imposition of Late Payment Charges

RECOMMENDATIONS

That Report FIN-2014-03 regarding the imposition of late payment charges for the non-payment of taxes be received; and

That Council enact a By-law for the imposition of late payment charges for the non-payment of taxes and repeal any previous By-laws regarding late payment charges for the non-payment of taxes.

DISCUSSION

It is recommended that the Township’s current By-law No. 12/13 being a By-law to establish a penalty charge for non-payment of current taxes and By-law No. 13/13 being a By-law to provide for interest to be added to tax arrears and any previous By-laws from previous years associated with the imposition of late payment charges for the non-payment of taxes be repealed.

It is also recommended that Council enact a By-law which consolidates the two previous By-laws. This By-law can be established once and remain in effect year after year until repealed.

Financial Implications

The interest and penalty percentages remain unchanged from the previous By-law, however, we are recommending the consolidation of the two By-laws into one and that this By-law remain in effect year after year until repealed.

Applicable Legislation and Requirements

Section 345 (1) of the Municipal Act, 2001, S.O. 2001, c. 25, provides that a municipality may pass by-laws for the imposition of late payment charges for the non-payment of taxes or any installment by the due date;

Section 345 (2) of the Municipal Act, 2001, S.O. 2001, c. 25 provides that a percentage charge, not to exceed 1 ¼ per cent 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;

Section 345 (3) of the Municipal Act, 2001, S.O. 2001, c. 25, provides that interest charges, not to exceed 1 ¼ per cent 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.

ATTACHMENTS

Imposition of Late Payment Charges for Non-Payment of Taxes By-law



8.2(d)

REPORT FIN-2014-04

TO: Mayor and Members of Council

FROM: Mary Hasan, Director of Finance/Treasurer

SUBJECT: 2014 Interim Property Tax Levy and Due Dates

RECOMMENDATIONS

That Report FIN-2014-04 regarding the 2014 Interim Property Tax Levy and Due Dates, be received; and

That Council enact a By-law to provide for an interim tax levy for 2014 and the collection thereof.

DISCUSSION

Under the Municipal Act, Council must enact a by-law to provide for the levying and collection of interim taxes. The levying of an interim tax bill allows for a municipality to raise funds to meet its obligations until the final tax rates are set, including mandated payments to the County of Wellington and the local school boards.

Interim property taxes are billed at 50% of the previous year's levy and are due in two installments: Friday February 28, 2014 and Wednesday April 30, 2014. The amount of the interim tax bill will be deducted from each property's final tax bill in the calculation of the final amount due for 2014.

If any taxes levied on a property were for only part of 2013 due to an addition to the tax collector's roll in 2013, the 2013 taxes will be annualized and the 2014 interim levy amount will be based on the annualized taxes rather than the prorated taxes. The additions made in 2013 will be treated in the calculation of the 2014 interim taxes as if they had been levied for the entire year.

Section 342(b) of the Municipal Act allows for alternative instalment due dates to spread the payment of taxes more evenly over the year. Therefore, the interim tax levy for those on a ten (10) month pre-authorized automatic withdrawal plan shall be paid in five (5) equal installments due and payable on the fifteenth (15th) (or next business day) of each month, February to June, inclusive. The pre-authorized payment plans shall be penalty free for as long as the taxpayer is in good standing with the terms of the agreement.

The final tax rates for 2014 will be calculated after the Township, County of Wellington and school boards finalize the 2014 budget. The Final 2014 property tax bill will include the total taxes levied for the Township, County and Education portions less the 2014 interim billing.

Financial Implications

The financial implications are discussed throughout this report.

Applicable Legislation and Requirements

Section 317 of the Municipal Act, S.O. 2001, c. 25, as amended, provides that the Council of a local municipality, before the adoption of estimates for the year may pass a by-law levying amounts on the assessment of property in the local municipality rateable for local municipality purposes;

Section 342 of the Municipal Act, S.O. 2001, c. 25, as amended, Council is authorized to pass by-laws providing for the payment of taxes by installments and the date or dates in the year for which the taxes are imposed on which the taxes or installments are due; and

Section 345 of the Municipal Act, S.O. 2001, c. 25, as amended, authorizes a local municipality to pass by-laws to impose late payment charges for the non-payment of taxes or any installment by the due date.

ATTACHMENTS

2014 Interim Tax Levies By-law