

Municipal Property Tax Enforcement

A Citizen's Guide



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Introduction

This guide is intended to assist citizens to understand the municipal property tax enforcement process.

This guide is based on the legislation contained in *The Tax Enforcement Act*. It is not a substitution for the legislation.

Municipal Property Tax Enforcement

Your municipality levies property taxes each year. Your annual property tax notice will include municipal taxes as well as taxes imposed by other taxing authorities such as school divisions or library boards.

Municipal legislation provides direction to your municipality about enforcing the collection of property taxes. The information in this resource is intended to describe these procedures to property owners.

As a property owner you are responsible to ensure that your municipality and the Information Services Corporation (ISC) have your correct mailing address.

The ISC is responsible for the registration of land titles in Saskatchewan. Find more information about land ownership interest or change of address at www.isc.ca.

Penalties

If your property taxes are not paid in full by the end of the year, they are considered to be in arrears. Municipalities must add a financial penalty to your tax arrears. Penalties added to arrears are considered part of the tax arrears. The penalty can range from 9 per cent to 25 per cent per year.

Your municipality has choices about how the penalty will be added. The penalty can be added all at once, or your municipality may add penalties on a monthly basis.

If your municipality adds the total annual penalty at one time, your municipality may cancel part of the penalty if you make a payment towards your tax arrears earlier rather than later.

If penalties are added on a monthly basis, the amount of penalty added each month may remain the same or the penalty may increase as the total arrears rise over time. If you make monthly payments, the amount of penalty added to remaining arrears will be smaller. Be aware that a partial payment does not stop or delay proceedings under *The Tax Enforcement Act*.

Reminder Notices

Your municipality is not required to send reminder notices that your taxes are in arrears. In some cases you may receive a Tax Confirmation Notice from the municipal auditor. If you feel the amount stated in the notice is incorrect, contact the municipal administrator as soon as possible to avoid further penalties or actions. If you still feel there is an error in the Tax Confirmation Notice, you should inform the municipal auditor.

Do not send a tax payment to the municipal auditor. Your current year tax notice will include the amount of taxes owing from previous years in addition to the amount of any penalties added to your taxes during the current year.

Tax Enforcement List

Municipalities must begin proceedings set out in *The Tax Enforcement Act* by November 15th each year. Your municipality may decide to start proceedings at an earlier date.

Your municipality can carry out tax enforcement activities using municipal staff, or it may contract the work to an outside party. Your municipality may recover the cost of tax enforcement activities performed by administrative staff or contracted parties by adding these costs to your tax arrears.

The process starts with the publication of the Tax Enforcement List in a newspaper that is locally available. The list will identify your property and the amount of taxes owed. A copy of this list will be posted in the municipal office. A portion of the cost of advertising the list will be added to your tax arrears.

Your municipality may provide you with advance notification of its intent to publish the list or it may provide you with a copy of the list. A municipality is not obligated to provide this service.

Tax Lien

Your municipality will register an interest, commonly called a tax lien, against your property if you do not pay your tax arrears and your share of the cost of advertising by the deadline in the Tax Enforcement List. The deadline is at least 60 days after the Tax Enforcement List is published in the newspaper. This interest registration is known as a tax lien.

ISC will send a notice that the tax lien is registered against your property. The cost of registering the tax lien will be paid by your municipality. This cost is added to your tax arrears.

In most cases, a municipality may not take further action about the arrears for at least six months after the tax lien is registered against your property. In some cases, your municipality may ask the Provincial Mediation Board (PMB) for permission to proceed sooner to apply for title to your property.

When a municipality registers a tax lien against your property, you should meet with the municipal administrator as soon as possible to discuss your situation. It is in your interest to work out a tax payment plan. If there is an arrangement in place and you honour that arrangement, your municipality may avoid taking further action at your expense.

Six Month Notice

Your municipal council may authorize its administration to begin the process to apply for title to your property six months after the tax lien is registered. In some cases, your municipality may begin the process to take title of your property sooner if the PMB reduces the six month waiting period.

Your municipality will provide you with a notice stating that it will apply for title to your property in six months unless you pay your property tax arrears including all costs.

This notice may be sent by registered mail or it may be served in person. If you refuse to accept this notice by registered mail, it is still deemed served according to the legislation.

Municipalities will use different forms of service if:

- the owner's address is unknown;
- the owner is deceased;
- the owner is a dissolved corporation; or

- the owner is registered pursuant to *The Adult Guardianship and Co-decision-making Act* or *The Public Guardian and Trustee Act*.

The cost of serving the six month notice will be paid by your municipality. These costs are added to your tax arrears.

Expedited Procedure

In some cases a property owner may receive only one notice that the municipality intends to apply for title to your property. This may be the only notice you receive if:

- the taxable assessment of your property is less than \$17,500;
- your property is unoccupied; and
- you have not paid anything towards your property taxes in the past two years.

If you do not pay the arrears and costs within six months of the notice, your municipality may apply for title to your property.

Provincial Mediation Board

In cases other than those described above, your municipality cannot apply for title to your property unless the PMB allows it to finish the tax enforcement process. Your municipality can apply to the PMB if you have not paid your arrears and costs within six months of the notice, or sooner if the PMB has reduced the six month waiting period.

The PMB recognizes that municipalities are entitled to collect taxes and that municipalities need the money to provide municipal services. The PMB will withhold its consent if you make a reasonable arrangement for the payment of taxes within a reasonable time and you honour that arrangement.

The PMB will issue consent to your municipality if you fail to respond to letters or any other communications. When you have agreed to an arrangement for payment of taxes, the PMB will allow your municipality to proceed if you fail to comply with the arrangement without providing a satisfactory explanation to the PMB.

You must keep in touch with your municipality about the payment of taxes and about any problems with payments. You also must keep the PMB informed of any significant change in circumstances. Problems can be avoided by good communication.

Find information about the role of the PMB in municipal property tax enforcement at saskatchewan.ca/PMB.

Thirty Day Notice

The 30 day notice, sometimes called the final notice, may be issued after the PMB authorizes your municipality to finish the tax enforcement process.

Your municipality will provide you with a notice stating that it will apply for title to your property in 30 days unless you pay your property taxes.

This notice may be sent by registered mail or it may be served in person. If you refuse to accept this notice by registered mail, it is still deemed served according to the legislation.

Municipalities will use different forms of service if:

- the owner's address is unknown;

- the owner is deceased;
- the owner is a dissolved corporation; or
- the owner is registered pursuant to *The Adult Guardianship and Co-decision-making Act* or *The Public Guardian and Trustee Act*.

The cost of serving the 30 day notice will be paid by your municipality. These costs are added to your tax arrears.

If you do not pay the arrears and costs within 30 days of the notice, your municipality may apply for title to your property.

Title Transfer and Sale

Your municipality can apply for title to your property if you have not fully paid the arrears and costs by the deadline in the last notice sent to you.

When title is transferred to your municipality for tax enforcement purposes, your municipality must offer it for sale by tender or auction within one year. *The Tax Enforcement Act* also enables a municipality to retain the property for municipal purposes.

Personal Belongings

If your municipality obtains title to your property, it may send you a notice if personal belongings were left in the property. This notice may order you to remove these belongings by a specified date. If they are not removed by the date specified, your municipality may dispose of them in accordance with policies established by your municipal council. If your municipality sells the belongings, you may claim the net proceeds of the sale of your belongings within one year of the date of sale. To claim the net proceeds from the sale of your belongings you would need to contact your municipality.

Further Information

For further information, contact a municipal advisor with:

Ministry of Government Relations
Advisory Services and Municipal Relations
1010 - 1855 Victoria Avenue
REGINA SK S4P 3T2
Phone: 306-787-2680