



**Subject:** *Bylaw F-200 Fee for the Provision of Tax Information*  
**To:** Corporate & Residential Services Committee  
**Date Prepared:** May 11, 2021  
**Related Motions:** C13(124), C21(148)  
**Prepared by:** Andrew Smith, CPA, CMA, Manager of Accounting  
Sue Surette, CPA, CGA, Director of Finance  
**Approved by:** Kim Ramsay, CPA, CMA, Chief Administrative Officer

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### Summary

On the direction of Council, staff are bringing forward this report to provide alternatives for consideration to enable tax payers who pay their taxes on-line a confirmation of said payment without incurring a fee for this service.

### Financial Impact Statement

Unknown at this time, estimated impact is a slight decrease in revenue.

### Recommendation

It is recommended that no amendments to the F-200 Bylaw be made and as per Section 3.1.3 the Director of Finance has authority to waive the fee for issuance of an Account Statement to tax payers who pay their taxes on-line and require confirmation of payment.

### Recommended Motion

*Move that the Corporate & Residential Services Committee recommend that Council directs CAO to ensure that property owners can receive confirmation of payments made to their accounts at no charge.*

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## Background

The Municipality of East Hants issues certified tax information in accordance with Section 132 of the Municipal Government Act. The Municipality, under the authority of Bylaw F-200, also issues tax information that is not certified, to owners and their agents. This information is provided at a lesser fee.

### TAX CERTIFICATES

The Municipality of East Hants issues certified tax information in accordance with Section 132 of the Municipal Government Act. The fee for this information is \$60. The MGA requires a tax certificate to disclose:

- a) the current taxes on the property;
- b) the total taxes due by the owner to the municipality with respect to the property;
- c) any sums due from an owner of property for work done on the property by the municipality, the engineer, the administrator or any other authorized person, the cost of which forms a lien on the property;
- d) whether a change-in-use tax will be incurred if the use of the land is changed.

Where a tax certificate binds the Municipality, meaning if we do not disclose a lien on the tax certificate, we are not able to later collect on it, we have sound controls in place to prevent non-disclosure of potential or current liens on the property. This form is generated from the SAP financial system, reviewed by the Manager of Accounting and is signed by, or on behalf of, the Treasurer.

This service generated approximately \$44,000 of revenue in 2020.

### TAX INFORMATION

The Municipality began formally responding to requests for uncertified Tax Information in 2000. This was done in an attempt to recover the cost of lawyers, real estate agents, mortgage brokers, etc. calling the Municipality requesting information and not paying for the time it took to pull that information together. The initial charge was \$25 and had increased to \$40 by 2007; the service quickly took root and soon became a more popular mechanism to receive information than the tax certificate. These charges were administered under the former Bylaw 3.

Past practice was to prepare a tax information form manually and the information was not certified. This information was the same level as if someone called and verbally inquired on an account status. The information was not verified by a second staff person and over the years there were tax information forms that did not disclose all relevant information on the account, i.e. a local improvement loan that exists. Although the information is not certified, this reflects poorly on the Municipality.

As there was significant burden in generating these forms, and the usefulness of the information was provided was limited, these forms were replaced with simplified Account Statements that are system generated. The Accountant Statements have a fee of \$10 and provide the requestor the amount of tax charged, the payments received, and their outstanding balance for the period of time requested. Typically, requests are received for the current, or previous tax year.

The Account Statement service generated approximately \$4,000 in revenue for 2020.

## MORTGAGE COMPANY CHARGE

The same bylaw, Bylaw F-200, lays out the cost to mortgage companies for the management of mortgage company files to facilitate the payment of the taxes collected from their mortgage clients. The fee for each account is \$10 per bill (implemented in 2002 at \$6/bill and changed in 2007 to \$10), which equals \$20 per year, per account. This gives full access by the mortgage company to the two bills and any subsequent information throughout the year that may be required.

This fee generated approximately \$67,000 per year in revenue in 2020.

## BILL REPRINT CHARGE

The SAP financial system has the ability to reprint tax and water bills. Effective April 1, 2010, the UARB approved a fee of \$10 per reprint for water bills. Council approved a fee in 2013 for tax bill reprints or statements. A reprint of a tax bill is often all that is needed for real estate listings, if a balance on the account is needed the requestor would look for an account statement, showing the current balance and related payments (for a landlord for income tax purposes). Neither would show current or potential future liens. This is a service we offer to our tax payers at a reasonable cost. For some it is a more economical way to get the written account information that they or their agents (bank, legal or otherwise) require without the formality of a request for tax certificate. It also takes much less staff time to generate and distribute. There are certain circumstances where staff do reprint bills for customers when required to do so for account management (i.e. did not receive the original bill). Where most tax payer receives two paper bills each year, it is reasonable to charge for reprints of bills or statements of the account; the charge would be the same as water at \$10/reprint. Mortgage linked accounts, which represent approximately 20% of all tax accounts, do not receive a paper copy of their interim bill.

The system by which we communicate with the legal/real estate world is also due for a re-engineering of the process by which people request tax information. The current system entails lawyers faxing cheques as proof of payment or charging to the accounts receivable account. Monthly reconciliation are required for those that use our Accounts Receivable service. As part of the on-line services project, we will be asking to have the request for information/certificate/reprint automated through a web site solution. Staff are currently investigating the most efficient process for the client and the Municipality.

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## Discussion

Section 3.1 of Bylaw F-200 outlines the \$10.00 fee associated with Tax Information Requests. This fee is in place to offset the staff time, postage, and other sundry expenses associated with producing these requests. Section 3.1.3 of the same Bylaw provides the Director of Finance with the authority to waive the \$10 fee for Tax Information requests at their discretion. Where there is a provision for the fee to be waived already, staff are not recommending an amendment to the Bylaw. Amendments to the Tax and Water Collection Administrative Policy (Policy administered by the CAO that outlines operational directives for staff in alignment with the Tax and Water Collection Council Policy) can be updated to clarify in which scenarios the Director of Finance would typically waive the fee.

As per motion C21(148), it was requested for staff to bring forward a report outlining options to enable a receipt for tax payments that are made online without a cost to tax payers. Staff are unable to generate receipts for payments not received directly at our office such as payments made through online banking. The alternative would be to provide these customers with an Account Statement at no cost, that reflects the taxes

charged, payments made, and their outstanding balance. As presented earlier in the report, there are expenses in generating these requests. To mitigate these expenses, these requests could be limited to providing a digital statement via e-mail, eliminating any postage, stationary or printing costs.

As shown in the below table, the Municipality has received between 350 and 450 requests for Account Statements (Tax Information Requests) per year, generating between \$3,500 and \$4,200 in revenue. Currently we do not track the reason for requests so there is not a definitive way for us to determine how revenue might be impacted by providing these requests at no charge, nor how many additional requests we may receive.

	2020		2019		2018		2017		2016	
	Requests	Revenue								
Account Statements	392	\$3,920.00	415	\$4,150.00	364	\$3,640.00	338	\$3,380.00	333	\$3,330.00
Bill Reprints	170	\$1,700.00	156	\$1,560.00	135	\$1,350.00	160	\$1,600.00	113	\$1,130.00
<b>Total</b>	<b>562</b>	<b>\$5,620.00</b>	<b>571</b>	<b>\$5,710.00</b>	<b>499</b>	<b>\$4,990.00</b>	<b>498</b>	<b>\$4,980.00</b>	<b>446</b>	<b>\$4,460.00</b>

## Alternatives

Council may:

1. Amend F-200 Bylaw to include a section to waive fee for providing account statements for tax payers who make online banking payments to their tax accounts.
2. Give staff direction on other possible considerations.

## Conclusion

Staff are able to address this issue internally with no additional changes to council policy or Bylaw F-200.

## Recommendation

It is recommended that no amendments to the F-200 Bylaw be made at this time and as per Section 3.1.3 the Director of Finance has authority to waive the \$10 fee for issuance of an Account Statement to tax payers who pay their taxes on-line and require confirmation of payment. The administrative policy can be updated to reflect expected practice.