



Township of Lucan Biddulph

Statement of Policy
Policy No. 200-18-1-2015
Effective: November 2015
Revised: November 2015
Formerly: 200-18-2015

TITLE: Municipal Drain Assessment Billing, Payment & Debenture

PURPOSE:

To establish standards for billing, payment, and debentures for outstanding balances on municipal drain assessments, as described herein,

LEGISLATION AFFECTED:

- i. Drainage Act Section 3(17) for requisition Drains
- ii. Drainage Act Section 10(4) for cost Petition
- iii. Drainage Act Section 43 - Liability of original Petitioner
- iv. Drainage Act Section 61 – Special Assessment

The assessments and rates imposed under the Drainage Act shall have priority Lien status as described in section 1 of the Municipal Act, 2001.

BILLING CYCLE:

- i. Once the Drainage Superintendant has confirmed that all invoices have been received and the capital or maintenance work completed on municipal drains, the Treasurer shall prepare a levy by-law.
- ii. Section 75(3) of the Drainage Act, states a municipality is not required to levy amounts charged for maintenance or repair more than once every five years if the total expense doesn't exceed \$5,000.00. To reduce annual general ledger reconciliation costs, Lucan Biddulph will strive to levy and bill all maintenance and repair jobs as they are completed.
- iii. Drain assessments (after Provincial grant deductions) valued at \$500.00 or under will be added to the property tax roll.
- iv. Drain assessments (after Provincial grant reductions) valued at over \$500.00 will be billed through the Lucan Biddulph accounts receivable module and sent to the landowner.

- v. Invoices shall be one instalment due within 30 days of the billing date.
- vi. On large projects it may be more economical to make interim levies to reduce financing costs. Although not specifically provided for in the Drainage Act, it is a procedure that has been followed through-out the Province and the Province has paid grants on such interim levies.

PAYMENT PLANS

- i. Landowners with cumulative drain assessments owing per drain assessment schedule with a balance under \$500.00 are required to pay the balance owed within 30 days of billing. Landowners with a balance of \$500.00 and over (after applicable Provincial grants) may opt to pay their balance in full within 30 days of billing.
- ii. Landowners with cumulative drain assessments owing per drain assessment schedule with a balance of **\$3,000.00** and over (after applicable Provincial grants) are eligible for a drain debenture as follows;
 - Term of five years.
 - Interest rate equal to the fixed rate on the current municipal drain loan account acquired by the Municipality of Lucan Biddulph to finance municipal drains. It is acknowledged that this rate will fluctuate on a loan by loan basis.
 - Semi-annual payments are added to the property tax roll as a local improvement charge.
 - Agreement with the above terms must be signed by the landowner (attached as Schedule "A").
 - **The Treasurer of the Township of Lucan Biddulph has the authority to administer this policy.**
- iii. If payment of the drain assessment has not been received after 30 days of the billing date, or if qualifying landowners choosing to debenture their assessment have not entered into a debenture agreement with The Township of Lucan Biddulph after 30 days of the billing date, the balance owed will automatically default to be paid on the next semi-annual tax installment. The amount added to taxes will include penalty charged at 1.25% per month (15% annually), calculated from the date the assessment was due to the next semi-annual tax installment. Landowners with an outstanding assessment may pay the balance owed, plus calculated penalty, in one lump sum at any time during regular business hours. In this situation, penalty will be calculated from the date the assessment was due to the date of payment.

METHODS OF ENFORCEMENT:

- i. Tax Sale Registration – Municipal Act Part XI regulates the sale of land for tax arrears.

SCHEDULE “A”

AND WHEREAS The Township has determined a fair rate of interest shall be equal to the fixed rate acquired by the Township to finance the short term loan, currently _____ % per annum.

NOW THEREFORE the Property Owner agrees to the following terms:

- i. Equal semi-annual payments shall be added to the above noted property tax roll for a term of **FIVE** years. Payments for this debenture will start on the interim tax billing levy for the year _____.
- ii. The Repayment Schedule shall be provided to the landowner by The Township and attached to this agreement.

The Township of Lucan Biddulph
Per Kate Smith, Treasurer

Property Owner