

## LEGISLATION PROTECTS SCHOOL DIVISIONS FROM EDUCATION PROPERTY TAX NON-COMPLIANCE

### BACKGROUND:

Changes to *The Miscellaneous Statutes (Municipal Collection of Other Taxes) Amendment Act, 2006* include amendments that:

- ensure that all municipalities are liable to pay interest charges if they fail to pass on taxes collected on behalf of another taxing authority or if they fail to pay a requisition authorized by statutes within the required time;
- prescribe, via the regulations to *The Municipalities Act* and *The Northern Municipalities Act*, and as well the respective regulations, a set of uniform property tax discount and penalty rates for rural municipalities, towns, villages and northern municipalities. This is to achieve greater consistency and will preclude the adoption of policies that encourage the delay of education property tax payments by ratepayers;
- add provisions to each of the municipal Acts to require the written agreement of other taxing authorities if a municipal council proposes to cancel, reduce, defer or refund taxes collected on a property on behalf of that other authority in more than one consecutive year. It also requires timely notice of any such action in all cases;
- will require all municipalities to transmit a new monthly statement of account of school taxes collected and remitted to the school division. School divisions and Learning have identified a concern that current reporting by municipalities does not allow them to confirm that municipalities are collecting and remitting school taxes in accordance with legislation; and
- adds provisions to *The Municipal Revenue Sharing Act* and *The Northern Municipalities Act* to clarify the authority of the Minister responsible to withhold grant payments in the case of illegal acts, and to set terms and conditions to be met before the withholding is discontinued.