



CRANBROOK

FINANCE

FREQUENTLY ASKED QUESTIONS – PROPERTY TAXES

Q. When are tax notices sent out?

A. Tax notices are mailed out in mid-May. If you do not receive a tax notice by the beginning of June, please contact City Hall to request a copy. Penalties for late payment will not be waived because you did not receive your notice.

Q. What period of time is covered by the current tax year?

A. The 'current tax' indicated on your tax notice covers the period January 1, 2013 to December 31, 2013.

Q. When are taxes due?

A. Taxes are due on the first business day of July. In 2013 the due date for taxes will be July 2nd. City Hall is open late until 6:30 pm on July 2nd to accept tax payments.

Postmarks are not accepted as proof of payment date. Payments must be received at City Hall by the due date to avoid late payment penalties.

Q. Can I pay my taxes using a post-dated cheque?

A. Yes, but in order to avoid any penalty on outstanding taxes, your cheque should not be post-dated beyond the due date of July 2nd.

Q. How does the City determine what the property taxes will be each year?

A. Each year the City along with the School Board, Regional District, Regional Hospital and BC Assessment require revenue for the services they provide to the residents of Cranbrook. Each public agency with taxing authority sets a budget for the amount of tax revenue required. Tax rates are calculated by dividing the budget needs of the taxing agency by its assessment base. The appropriate tax rate is then applied to individual property assessments.

Q. My assessed value decreased this year; does that mean my property taxes will also decrease?

A. No, a decrease in assessed value does not automatically generate a decrease in property taxes. If your assessment increased/decreased the same as the residential class average, you would experience the average Municipal increase in property taxes.

For example, for the typical residential property owner, the general municipal property tax increase in 2013 will be about 4.2%. The 4.2% increase reflects the changes and cost increases in the City's 2013 budget. However, this percentage will change if the assessed value of the taxpayer's property increased or decreased by more than the average decrease in value of 3.13% for the residential class.

Q. My bank pays my taxes. Why do I still receive a tax bill?

A. We are legislated to notify all property owners of tax levies.



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- Q. My mortgage company collects my taxes as part of my mortgage payment and pays them on my behalf. Is there anything else I need to do?**
- A. If you meet the qualifications for claiming the Provincial Home Owner Grant you still need to complete the grant application found on the bottom portion of your yearly tax notice and return it to the City of Cranbrook on or before the tax payment due date.
- Q. Can my mortgage company submit my Provincial Home Owner Grant Application on my behalf?**
- A. No, mortgage companies do not provide this service. Home owners must complete and sign the Provincial Home Owner Grant Application and submit the application directly to City Hall by the due date.
- Q. Is there a deadline for submitting my Provincial Home Owner Grant Application?**
- A. Yes, your Provincial Home Owner Grant Application is part of your total tax amount owing and must be submitted by the tax payment due date in order to avoid a penalty. The Home Owner Grant may be claimed at any time during the year; however, there is a 10% penalty on the Grant amount not claimed by the due date of July 2, 2013.
- Q. How do I claim the Home Owner Grant?**
- A. You can claim the Home Owner Grant by submitting the signed application directly to City Hall (fill out and sign the application that is at the bottom of your tax notice). You can also claim the Grant online, by logging onto the City's website (www.cranbrook.ca), and using your Roll Number and your password which is provided on the top left of your tax notice underneath the address portion. **Most Financial Institutions will accept the Home Owner Grant Application provided you are making a payment at the time of application. If you are just claiming the Home Owner Grant, and not making a payment, it is recommended that you come into City Hall or claim the Grant online.**
- Q. Do I have to pay my taxes in order to claim the Home Owner Grant?**
- A. No, you do not have to pay your taxes in order to claim the Grant. You must claim the Grant and pay your taxes before the due date every year to avoid penalties.
- Q. I can only pay part of my taxes, what should I do?**
- A. Claim your Home Owner Grant, if applicable, and send it in with the partial payment prior to the due date of July 2, 2013. You will receive a penalty on the outstanding balance (10% on July 3rd), then there will be no more charges until January 1, 2014, so you have time to pay off the balance to avoid further penalties.



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Q. Is there a penalty for not paying my taxes by the due date indicated on the tax notice?

A. Yes, payments not received by the due date, including the Provincial Home Owner Grant portion if you are eligible to receive it, are subject to a 10% penalty if paid after the due date. In addition, any taxes or portion thereof that are unpaid as of the 1st day of the following year will be considered in arrears and will start accumulating arrears interest on a daily basis (per diem).

Q. Are penalties discretionary?

A. No. Penalties are mandated by Provincial legislation and are not discretionary.

Q. I think my taxes are too high. Can I appeal them?

A. No, you cannot appeal your taxes. The time for input regarding municipal budget requirements is during the public consultation period in the spring of each year when Council asks the public for input regarding the Five Year Financial Plan. Once the budget is adopted, the tax rate is determined and applied to individual property assessments. Property assessments can be appealed. However, the deadline for appeal regarding the 2013 assessment was January 31, 2013.

Q. Why do I pay a School Tax?

A. All property owners in the Province are required to pay school taxes. The school tax is not based on the property owner's use of the school system. It is a suitable way to pay for part of public education costs given everyone benefits from a good school system.

Q. The newspaper said my Property Tax increase would be 4.2%; why is my tax change different?

A. The City's objective was to have most of the City's taxpayers bear a General Municipal Property Tax increase (excluding school and other non-City property taxes) of about 4.2% for 2013, which reflects changes and cost increases in the City's 2013 budget. For the typical residential property owner, the general municipal property tax increase in 2013 will be about 4.2%. This percent will change if the assessed value of the taxpayer's property increased or decreased by more than the average decrease in value of 3.13% for the residential class.

The same is true for owners of property within the Business classification. For the typical commercial property owner, the general municipal tax increase will be about 4.2%. This percentage will change if the assessed value of the taxpayer's property increased or decreased by more than the average increase in assessed value of 2.2% for the business class.

The published 4.2% increase represents only the municipal levy. Your tax notice also includes non-City property taxes (i.e.: School Board, Regional District, Regional Hospital and BC Assessment Authority). The City of Cranbrook collects taxes on behalf of each of these taxing authorities and has no input into the amount requisitioned.



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- Q. What forms of payment are accepted for tax payments? Does the City offer a pre-authorized payment plan?**
- A. Tax payments can be made by cash, cheque (including post dates), and debit. The City of Cranbrook does offer a Tax Prepayment Plan. Current year's taxes must be paid before the City can accept prepayments for next year's taxes. Monthly tax payments are made through your bank by preauthorized debits on the 15th of each month, starting in July 2013 for the 2014 taxation year. Application forms are available at City Hall.
- Q. I just got a tax notice for a house I sold. What should I do?**
- A. Please return the Notice to us with a note that you sold the property, and we will re-direct it to the new owner(s). Please provide contact information which you may have for the new owner.
- Q. The property taxes were paid by my Lawyer/Notary. What do I need to do?**
- A. Ask your Lawyer/Notary if you are responsible for applying for the Provincial Home Owner Grant. If you are the new owner you will need to attach a copy of your Form A Freehold Transfer form to the grant application. Please ensure your grant application is at City Hall before the due date to avoid penalties.
- Q. Where can I pay my taxes?**
- A. Taxes can be paid in person at Cranbrook City Hall or at any bank or financial institution accepting such payments, via online banking, or mailed to:
- City of Cranbrook
40 10th Ave S
Cranbrook, BC V1C 2M8
- Note: If you make your payment via online banking, don't forget to complete and submit your Home Owner Grant application prior to the payment due date of July 2nd

Do you have additional questions regarding your property taxes?

Contact City Hall at 250-426-4211