

2010

**A GUIDE TO
PROPERTY
TAXES**



**Town of
Fort Smith**



Contents

1.	Services covered by property taxes	1
2.	Property taxes calculations	2
3.	How are property taxes spent	3
4.	Property Taxes for Seniors and Disabled Persons	3
5.	School Tax	3
6.	Payment of property taxes	4
7.	Penalties	5
8.	Outstanding property taxes	5
9.	Reserves	6
10.	Property Assessments	7
11.	Appeals	8

Should you have further questions
contact the Town of Fort Smith

Phone: (867) 872-8400

Fax: (867) 872-8401

email: townoffortsmith@northwestel.net



1. Services covered by property taxes

The Town of Fort Smith raises 24% of its 2010 operating revenue through residential and non-residential property taxation totalling \$1,529,044 an increase of \$163,334 from 2009. The remainder of the funds to cover operating expenses are received from funding from the Government of the Northwest Territories, grants-in-lieu for Federal properties and from the General Reserve. The following programs and services are provided from these operating revenues:

Municipal Services

- ★ Winter sanding/snow removal
- ★ Road maintenance
- ★ Sidewalk maintenance
- ★ Cemetery maintenance
- ★ Drainage & other engineering services
- ★ Traffic signage
- ★ Street lighting
- ★ Maintenance of green spaces
- ★ Engineering services

Protective Services

- ★ Bylaw enforcement
- ★ Animal Control
- ★ Fire Department
- ★ Ambulance Department
- ★ Emergency Measure Coordination

Community Services

- ★ Public library
- ★ Recreation facilities & programs
- ★ Grants to registered sport facilities not operated by Town
- ★ Grant to Northern Life Museum
- ★ Operation of visitor services
- ★ Tourism marketing
- ★ Economic Development initiatives
- ★ Community Event Coordination

Planning and Development

- ★ Zoning and land use planning
- ★ Building and Development Permits

Governance and Support Services

- ★ Council governance
- ★ Bylaw & policy review/development
- ★ Town Hall operations
- ★ Budgeting
- ★ Taxation
- ★ Financial Reporting
- ★ Reserve Management
- ★ Billing, collection and cash management
- ★ Purchasing
- ★ Risk Management
- ★ Legal
- ★ Human resources
- ★ Information technology

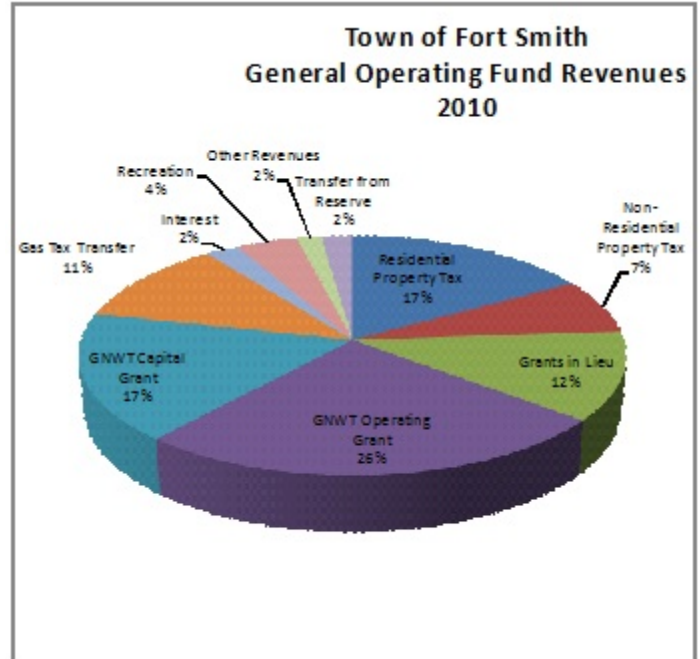
Items covered by Water Fees and Solid Waste Levy

- ★ Water & waste water treatment
- ★ Solid waste disposal



2. Property taxes calculations

Revenue Source	Amount	%
Residential Property Tax	\$1,058,310	17%
Non-Residential Property Tax	\$ 470,734	7%
Grants-in-Lieu	\$ 770,380	12%
GNWT Operating Grant	\$1,631,000	26%
GNWT Capital Grant	\$1,114,000	17%
Gas Tax Transfer	\$ 723,742	11%
Interest	\$ 143,000	2%
Recreation	\$ 264,800	4%
Other Revenues	\$ 105,200	2%
Transfer from Reserves	\$ 134,490	2%
TOTAL	\$6,415,656	



Property taxes are the product of two factors: the assessment on your property, and the municipal and education mill rates. The municipal mill rate is determined by dividing the total property tax revenues required for the operating budget for the Town by the total taxable assessment for the Town.

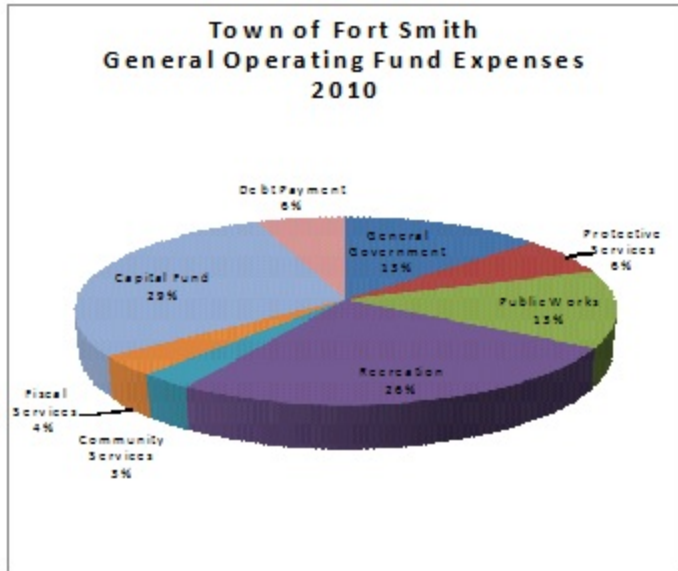
The education mill rate is calculated in a similar manner. The school tax is collected by the Town but it does not administer or control these taxes. This is done by the Government of the Northwest Territories (GNWT).

One ‘mill’ represents \$1.00 of tax for every \$1,000 of assessment. Here’s how the mill rate formula is applied in calculating your property taxes.

$$(\text{Assessment} / 1,000) \times \text{Mill Rate} = \text{Property Taxes}$$



3. How are property taxes spent



Expenses	Amount	%
General Government	\$ 864,269	13%
Protective Services	\$ 416,614	6%
Public Works	\$ 849,485	13%
Recreation	\$1,649,986	26%
Community Services	\$ 182,050	3%
Fiscal Services	\$ 229,688	4%
Capital Fund	\$1,837,742	29%
Debt Payment	\$ 385,822	6%
TOTAL	\$6,415,656	

4. Property Taxes for Seniors & Disabled Persons

Under Bylaws 439 and 807, tax relief is provided for seniors aged 65 years or older and disabled persons who meet the criteria prescribed in these bylaws.

The exemption is only granted to a senior citizen or disabled person who resides in either a single family dwelling unit or a mobile home unit.

An application form is available from the Town Hall. This tax relief is a shared cost venture with the Government of the N.W.T.

Tax relief does not apply to outstanding taxes and penalties.

5. School Tax

The mill rate is set by the Government of the Northwest Territories at 3.50. These taxes are collected by the Town and paid to the GNWT. These taxes are used to support education programs and initiatives of the GNWT.



6. Payment of property taxes

Tax notices are sent out early in February. Should taxes be paid within 30 days of tax notice date, there is a rebate of 3% of the municipal levy. Payment of taxes is due the last day of the month following the 60th day after tax notice date.

Methods of Payment

MAIL – A cheque or money order (do not mail cash) may be mailed along with the return portion of your tax bill. The envelope must be physically received by the Town of Fort Smith on or before the due date or penalties will be added.

POSTDATED CHEQUES – Postdated cheques will be accepted by the Town of Fort Smith but the cheque must be dated for the due date or earlier.

BANK OF MONTREAL – Payment may be made through BMO's Internet and telephone banking systems. Contact your local branch for details about this method of payment. To ensure your payment is received on or before the due date, please allow ten business days for your bank to transfer funds and payment information.

IN PERSON – Payment may be made by cash, cheque, credit card, and debit card at the town Office Monday to Friday 8:30 am to 12:00 pm and 1:00 to 5:00 pm.

AFTER HOURS – There is a night depository box located near the front entrance of town hall. Cheques or money orders along with the return portion of your tax bill may be placed in this box. Any payments placed in the box will be processed and marked as received the next business day.

PAYMENTS AS PART OF MORTGAGE – If you pay taxes as part of your mortgage payment, the bank/mortgage company will receive the original tax bill for your taxes. You will receive a duplicate tax bill for your records. The property tax bill will show the name of your bank/mortgage company and your mortgage number. If the bank/mortgage company name does not appear on the bill and you feel this payment is part of your mortgage agreement, contact your bank/mortgage company immediately.



7. Penalties

Penalties are assessed at 1.8% per month. Should there be unpaid taxes and penalties that have accrued from previous years, a penalty of 1.8% shall be charged on the first day of every month until the taxes are paid.

Any cheques not honoured by your bank will be returned to Town Office and a service fee of \$10.00 will be added to your account. A cheque may be returned for insufficient funds in your account or for not being completed correctly. Please ensure your cheque is correctly filled in. If any taxes are unpaid by the end of business on the due date as a result of a returned cheque, penalties will be assessed and added to the account.

Should there be unpaid taxes or penalties accrued from previous years, payments received will be applied in the following manner:

- first to outstanding taxes
- then to current taxes

(Penalties become part of property taxes and are treated as property tax.)

Please note:

Whether or not you file a complaint against your assessment, taxes are still due and payable by the due date

8. Outstanding property taxes

Property taxes still unpaid as on December 31st of the year in which the bills pertain to will become tax arrears and subject to collection action including being published to the local newspaper. Collection costs will be added to your account. This list is posted in prominent places in the community including Town Hall.

The Town of Fort Smith is owed a considerable amount in outstanding taxes. Administration has been directed to actively pursue the collection of all arrears that are collectable.



9. Reserves

The Town of Fort Smith maintains several reserve funds. It was felt that it was fiscally prudent to ensure there were sufficient funds to cover emergencies as well as to set aside funds annually for major projects, These funds have been established by Bylaw 719 and are governed by the purposes, rules and guidelines of each reserve. These reserves are:

- **Reserve for Mobile Equipment Replacement:** The purpose of this reserves is to ensure there will be sufficient funds to replace the municipal mobile equipment fleet (eg trucks) .
- **Reserve for Computer Systems:** The purpose of this reserve is to ensure there will be sufficient funds to replace the major computer systems, including upgrades to the software systems and accounting information systems.
- **Reserve for Emergency Equipment Replacement:** The purpose of this reserve is to ensure there will be sufficient funds to replace, refurbish or enhance emergency department equipment (eg fire truck or ambulance).
- **Reserve for Recreation Infrastructure:** The purpose of this reserve is to ensure there will be sufficient funds to replace or expand the recreation infrastructure.
- **Reserve for Utility Infrastructure:** The purpose of this reserve shall be to ensure there will be sufficient funds to replace or expand the municipal utility infrastructure (eg water & waste water).
- **Reserve for Municipal Infrastructure:** The purpose of this reserve is to ensure there will be sufficient funds to replace or expand the municipal infrastructure (excluding recreation and utility infrastructure) (eg paving, sidewalks, street lighting).
- **Reserve for General Operations:** The purpose of this reserve is to carry forward surpluses from one fiscal year.
- **Reserve for Environmental Operations:** The purpose of this reserve is to cover replacement or expansion of infrastructure as well as the eventual closure of current landfill and opening of new site.

The Capital Plan is established to provide a long range view of what equipment and infrastructure will be required to operate the municipal programs and services. It shows what replacements, retrofits and major servicing large capital items will require for a 5 to 10 year period.

Reserve	Balance at December 2009	Anticipated expenditures in 2010
Mobile Equipment Replacement	\$ 258,630	\$ 80,000
Computer Systems	\$ 100,000	\$ 15,000
Emergency Equipment Replacement	\$ 151,677	\$ 196,000
Recreation Infrastructure	\$1,799,400	\$ 313,612
Utility Infrastructure	\$ 844,399	\$ 664,286
Municipal Infrastructure	\$1,986,096	\$1,250,000
General Operations	\$ 400,436	\$ 134,490
Environmental	\$ 295,090	\$ 82,423
TOTAL	\$5,983,548	\$2,735,811



10. Property Assessments

To ensure fairness in property taxation, accurate and timely assessments should be completed. A general re-assessment of all property in Fort Smith was completed in 2005 for the 2006 taxation years. Assessments are done on an annual basis for properties that have been improved since the last assessment. Appeal mechanisms are in place for taxpayers who disagree with their property assessment (see process on page 10). Appeals are made to the Board of Revision which is made up of local citizens and town councillors. Please note that neither Town employees nor GNWT assessors sit on the Board of Revision. Should a taxpayer be dissatisfied with the decision of the Board, further appeals may be made to the Territorial Assessment Appeal Tribunal and finally to the Supreme Court of the Northwest Territories.

WHAT IS AN ASSESSMENT?

An assessment is a value which is placed on property, both land and buildings, for municipal taxation purposes (it does not reflect market value for property). This provides a method to equitably distribute taxation among property owners in Fort Smith. Taxes are levied by the Town of Fort Smith to provide municipal services (see list of these services on page 2).

HOW IS PROPERTY ASSESSED?

Standards have been established by N.W.T. legislation to ensure all properties are assessed in a fair and equitable manner. Assessors employed by the Government of the N.W.T. assess all properties according to these standards. Land assessment values consider market values in the community, lot size, location, and zoning. Building assessment values consider the age of the building and its depreciated replacement costs. Other factors include size, quality of building materials, type of building and fixed structures such as garages. The assessment does not include landscaping, home furnishings, fences, sidewalks or driveways. These values are determined using guidelines outlined in the building assessment manual using northern costs. The Government of the N.W.T. regulates these guidelines.

HOW CAN I ENSURE THE ASSESSMENT IS CORRECT?

- Ensure the name and address on the assessment is correct
- Compare the assessment with similar properties in the area.
- Land comparisons should be made with lands that are in a similar location, are of a similar size and the zoning is the same.
- Building comparisons should be made with buildings of a similar age, size, and quality of building materials.
- Ensure your property is classified correctly.

Property classifications in Fort Smith include:

- | | |
|-----------------|-----------------------|
| ● Residential | ● Recreational |
| ● Commercial | ● Telecommunications |
| ● Industrial | ● Country Residential |
| ● Institutional | |



11. Appeals

WHEN CAN I FILE AN APPEAL?

You must file an appeal within 45 days of the mailing date noted on the assessment notice.

FACTORS WARRANTING APPEALS

- Errors in fact ie structure description, quality or property classification, size, depreciation, land zoning, etc.
- Differences between your assessment and similar properties in your neighbourhood.

THE APPEAL PROCESS

1. Should you wish to file a appeal, it must be submitted in writing to the Secretary of the Board of Revision at:
Box 147
FORT SMITH, NT X0E 0P0
2. The appeal should include the following information:
 - The property address and assessment roll number
 - Advise if the appeal is against the land assessment only, the building assessment only, or both the land and building values.
 - Provide specific reason(s) for the appeal such as errors in fact or differences between your property and those of similar properties.
 - Provide the address where correspondence should be sent.
 - Provide phone numbers and email addresses.
 - Sign and date your appeal.
3. You will receive a letter of acknowledgment from the Board of Revision prior to the convening of the board.
4. At least 21 days prior to your hearing, a "Notice of Hearing" will be mailed to you, advising you of the time, date and location of the appeal hearing. At that time, you will have the opportunity to present your case before the members of the Board of Revision.

Items of Note

- Appeals can only be filed against assessments. You cannot file an appeal against taxes.
- If you have questions about your assessment, please do not hesitate to contact the Town Hall 872-8400 to discuss it with us.
- All appeals must be filed prior to the final date for filing which is shown on your assessment notice.



Should you have
further questions
contact the Town of Fort Smith

Phone: (867) 872-8400

Fax: (867) 872-8401

email:

townoffortsmith@northwestel.net

A copy of this information
brochure is on our website

www.fortsmith.ca