



# PROPERTY TAXATION ON RESERVE YES OR NO?

## FAQ #3 COLLECTION AND ENFORCEMENT

This information is intended to provide OKIB members with information about how OKIB could collect and enforce property tax payments from **non-Members**, if and when OKIB becomes a property taxation authority.

This Q and A focuses on what happens if a **non-Member** property tax payer does not pay their property taxes.

### Will the non-Member receive a tax notice?

Yes. Each year on or before \_\_\_\_ OKIB's Tax Administrator will send each **non-Member** property owner a tax notice indication the amount of property tax that is payable.

### What if the non-Member doesn't receive a Tax Notice?

Property owners are responsible for payment of their annual property taxes by the due date to avoid the penalty, whether or not they receive a Property Tax Notice.

Property owners who have not received their tax notice within the first week of June, or if they have any property tax questions, should contact the Finance Department at 250-542-4328, fax at 250-542-4990, or mail:

OKIB Department of Finance  
12420 Westside Road, Vernon, BC, V1H 2A4

### When are property taxes due?

The final payment deadline is July 2 of each calendar year. If the payment deadline falls on a weekend, the payment deadline is extended to the next business day.

### What happens if property tax payment is late?

A 10% penalty will be applied on outstanding tax accounts at the closing of business day on the final payment deadline of July 2 of each calendar year. On August 2 of each calendar year, interest begins to accrue at a rate equivalent to the average lending rate of the Bank of Canada plus 2%.

### What if the non-Member doesn't pay the property taxes?

Before taking any enforcement measures, OKIB's Tax Administrator must issue a tax arrears certificate to the **non-Member**.

- Where taxes remain unpaid 30 days after the tax arrears certificate is issued, the Tax Administrator may recover the amount of unpaid taxes by the seizure and a sale of the **non-Member's** personal property (e.g. car. Boat, RV, etc.).
- If payment cannot be obtained through the seizure and sale of personal property, the Tax Administrator may begin the process to collect unpaid property taxes by way of a seizure and the sale of an assignment of the taxable property. In this process the Tax Administrator:
  - must set the upset price (the lowest price which the taxable property will be assigned) at no less than the amount of taxes and interest owing;
  - must publish a notice, then conduct the public auction or tender.
- If no bid is received, OKIB is deemed to have purchased the right to an assignment of the taxable property for the upset price.
- After the sale, the **non-Member** has a 3 month redemption period to make full payment plus interest.
- If the **non-Member** doesn't pay the full amount owing by the end of the 3 month redemption period, the assignment transfers to the purchaser and extinguishes all rights the **non-Member** had in the taxable property. The assignment also extinguishes any remaining debt the **non-Member** had in relation to property tax arrears.

### So, the Locatee doesn't have to pay property taxes owed by the non-Member?

Correct.