



Treasury Policy Manual	A09 – Treasury 02
Policy	Property Tax Collection Policy
Effective Date	January 1, 2024

Introduction

This policy is to ensure prompt, consistent and effective billing and collection of realty tax in accordance with all applicable Provincial Legislation and Township By-laws.

Overview of Policy, Procedures, and Implementation

Purpose:

The purpose of creating this policy is to offer direction regarding the tax collection procedures for the Township. Its implementation is aligned with the governing legislation. In case of any discrepancies between the Policy and the governing legislation, the provisions of the governing legislation shall take precedence.

Legislative Authority:

This policy is written in compliance with the *Municipal Act*, the *Planning Act*, the *Assessment Act*, and applicable Municipal By-laws, as amended.

Definitions:

Assessment means the assessment for real property made under the *Assessment Act* according to the last returned assessment roll.

Cancellation Price means an amount equal to all the tax arrears owing at any time in respect of land together with all current real property taxes owing, interest and penalties thereon and all reasonable costs incurred by the Township after the Treasurer becomes entitled to register a Tax Arrears Certificate.

Finance Department means any person who operates under the supervision of the Treasurer.

Municipal Tax Sale is the sale of land for Tax Arrears according to proceedings prescribed by the Act and Ontario Regulation 181/03.

Preauthorized Payment Plan (PAP) means the owner and the Township have entered into an agreement where the Township can directly withdraw funds from the owner's bank account on a regular basis.

Property Taxes means the total amount of taxes for municipal and school purposes levied on a property and includes other amounts added to the tax roll as may be permitted by legislation.

Tax Arrears means any portion of property taxes that remain unpaid after the date on which they are due.

Treasurer is the person appointed by the Township who is responsible for handling the financial affairs of the Township on behalf of and in the manner directed by Council.

Accountability:

The Finance Department is responsible for administering this policy, and the Treasurer is accountable for ensuring that outstanding Property Tax Collection procedures are carried out in compliance with both this policy and relevant legislation.

Additionally, the Treasurer is responsible for:

- Ensuring that this policy is kept up to date with any changes to legislation;
- Ensuring that relevant staff are aware of and trained on this policy, including any revisions;
- Ensuring that this policy is applied in a fair and consistent manner;
- Ensuring that tax collection procedures for overdue Property Tax accounts adhere to this policy.

The Finance Department will provide the CAO and Council with an annual list of properties against which Tax Arrears Certificates have been registered and a Tax Billing and Collection Summary.

Discretion:

In order to ensure that all taxpayers are treated fairly and equitable, the Treasurer has the authority to exercise discretion in the application of this policy where unusual circumstances are apparent, provided such discretion is in accordance with all applicable legislation.

Tax Billing and Payments

Billing:

Prior to issuing Interim or Final Tax billing, Council must pass a levying by-law that meets the provincially legislated standard tax bill requirements. As per the *Municipal Act*, tax billings must be post-marked and mailed no later than 21 calendar days before the first installment due date, with a 30-day notice given whenever possible. The contents of the tax bill must comply with Section 343 of the *Municipal Act*. The Interim Tax Bill is calculated based on 50% of the property's annualized taxes from the previous calendar year, including local improvement charges levied.

The Final Tax Bill is based on the phased-in assessed value for the current year by the Municipal Property Assessment Corporation (MPAC), the appropriate tax rate, all local improvement charges, service area rates, and any special charges levied. The Final Tax Billings are created after the annual Township budget is passed and are based on the

rates established by the by-law from the budget requirements of the Township, the County of Dufferin, and the Minister of Finance in relation to education.

Property owners have the option to have their tax bill sent electronically by e-mail. If the ratepayer chooses this option, they will not receive a paper copy. Any notice sent electronically is considered delivered. Any notices sent by ordinary mail are considered delivered to and received by the addressee unless an error in the mailing address is proven. Failure to notify the Township of an address change in writing does not constitute an error. It is the responsibility of the property owner to notify the Township of any changes to email and/or mailing address.

Supplementary and Omitted Assessments:

Supplementary tax bills are issued and mailed in the same manner as the Interim and Final tax bills. The number of installments and due dates of the supplementary bills will be determined by the Treasurer. Penalties and interest charges will be assessed on supplementary taxes that are unpaid past their stated due date.

The *Assessment Act* allows for taxation of rateable property not included in the annual revised assessment roll. The following deal with omissions and additions to the roll:

- Omissions – section 33 allows for the taxation of real property that has been omitted from the roll. The provision allows for taxation in the current year, plus a maximum of the two preceding years.
- Additions – section 34 allows for the taxation of assessment that has increased in value or has been added after the return of the last revised roll. These taxes apply to the current year only.

Severances:

Severances that have been granted under the authority of the *Planning Act* will have the assessment values split between all the parcels of land. As part of their legislated services, MPAC divides the assessment information.

Section 356 of the *Municipal Act*, the Treasurer is provided authority to divide the assessment roll into the parcels being severed and direct the property taxes accordingly.

Land fragments that have been separated and sold will not have their property taxes recalculated for partial years by the Township. It is expected that the legal representatives of both the seller and buyer will handle any financial obligations related to the property sale.

For consolidation requests, property owners should initiate the process by submitting a written request to MPAC and should contact MPAC directly for further assistance.

Dates:

The due dates for property tax payments are contingent on the final approval of the budget by Council and the subsequent enactment of the levying by-law in the case of a

final bill. Despite any potential variations resulting from budget approval or unforeseen delays, the usual tax billing deadlines are as follows:

- Interim Bill: payment is due on the fourth Thursday of February and May.
- Final Bill: payment is due on the fourth Thursday of August and November.
- Supplementary Tax Bill(s): payment is due on the 15th of the month following the demand date and the second due on the 15th of the month following.

The Treasurer may adjust the due dates to ensure tax billings will be sent not later than twenty one calendar days before the date of the first instalment due date as required under section 343 of the *Municipal Act*.

If the amount owing on a tax bill is two hundred dollars (\$200) or less, taxpayers are required to remit the full amount in a single installment on the specified due date and the second installment due date will not be applicable.

Payment:

Payments may be in the form of cash, cheques, money orders, bank drafts, pre-authorized payment plans, and at most banking institutions made payable to the Township of Amaranth. Taxpayers are responsible for any fees and charges that may be imposed when making payments.

Property taxes may be paid at most major financial institutions, at the Municipal Office, or via mail to:

Township of Amaranth
1374028 6th Line
Amaranth, ON L9W 0M6

Post-dated cheques will be received and securely held by the Finance Department until the date specified on the cheque. In the event the payer wishes to prevent the processing of a post-dated cheque, they shall contact the Township at least three (3) business days prior to the date noted on the cheque. If adequate advance notice is not received, the finance department will make efforts to retrieve the payment before proceeding with processing. If, despite our efforts, the cheque is not retrieved before processing, an applicable Non-Sufficient Funds (NSF) fee of \$75.00 will apply.

Third party cheques will not be accepted. A cheque made payable to the property owner and the Township of Amaranth is not considered to be a third-party cheque and will be an acceptable form of payment.

Mortgage Companies:

The Finance department will provide a mortgage listing of roll numbers, taxes due and owing with due dates, in standard format to each mortgage company who have provided the Township with notification that they hold an interest in a particular property.

Payment Application:

Tax payments will be processed in accordance with Section 347 of the *Municipal Act*. More specifically, when applicable, the payment shall first be applied against late payment charges (penalty/interest) owing in respect of those taxes according to the length of time the charges have been owing, with the charges imposed earlier being discharged before charges imposed later. The remainder of the payment shall be applied against the taxes according to the length of time they have been owing, with the taxes imposed earlier being discharged before the taxes imposed later.

Pre-authorized Payment Plans:

Taxpayers whose property tax account is not in arrears may pay current taxes through 12 monthly pre-authorized electronic payments from January through December, or through a pre-authorized payment on the due date. Properties enrolled in the PAP plan are not subject to service fees. Pre-authorized monthly payments are not subject to any late payment charges for the non-payment of taxes on the due dates.

The Treasurer holds the discretionary authority to permit an outstanding account to be enrolled when it is assessed that doing so will be advantageous for the Township through facilitating manageable payment structures, improving collection rates and fostering financial stability within the community. Enrollment is only permitted if the arrears will not extend beyond a 12-month period and the account is not eligible for tax sale.

Late Payment Charges:

The purpose of a late payment charge is to persuade ratepayers to pay on time. The rate at which penalty and interest is charged is set by By-law. This rate may be reviewed by the Township each year but cannot exceed the maximum percentage prescribed in the *Municipal Act* of 1.25% per month.

Penalty and interest will not be adjusted on property tax accounts that claim they did not receive a tax bill or claim it was sent to the wrong address.

Late payment charges are adjusted only in the following circumstances:

- Taxes are adjusted under Sections 354, 357 or 358 of the *Municipal Act*
- Taxes are adjusted following an Assessment Review Board (ARB) decision
- Taxes are adjusted in accordance with a decision of the courts
- In the event penalty or interest or both was charged as a result of the Township's error or omission, it shall be at the discretion of the Treasurer to decide whether or not the penalty or interest amount should be adjusted

Charges:

All costs incurred for collection to obtain information and/or collect tax arrears are payable by the property owner and are added to the tax account. These costs may include, but are not limited to:

- All title and/or corporate search fees

- Registered mail
- Administrative charges
- Third party services

Credit Balance:

Property tax accounts may experience credit balances for various reasons such as reduction in assessment, tax class changes or payment errors. Credit balances may be refunded upon request to the Treasurer. An administrative fee will apply. The Treasurer may only issue refunds if all installments billed have been cleared.

Collection Procedures on Tax Arrears

Collection of Arrears:

The Township will send statements after each tax installment due date to all property tax accounts with an outstanding balance. To allow for late payments to be processed, notices will be mailed a minimum of one (1) week after the tax installment due date. Any administrative costs associated with preparing the arrears notices are subject to the Township's fees and charges by-law and the additional charge will be applied to the property tax roll.

The Treasurer will endeavor to contact each ratepayer whose property tax account is in tax arrears to advise of the tax arrears situation and work individually with property owners to collect payment. If acceptable payment arrangements are made, the account will be monitored for compliance.

If no reply is received and/or sufficient payment arrangements have not been made, additional collection efforts may be used at the discretion of the Treasurer. Registration of a Tax Arrears Certificate will be avoided if possible. If unable to secure payment of the tax arrears or a firm, suitable repayment plan, the Treasurer shall commence municipal tax proceedings by registering a Tax Arrears Certificate against the property. Any costs associated with the process will be applied to the property tax roll.

Council authorizes the Treasurer to authorize the execution of Tax Arrears Certificate and Tax Arrears Extension Agreements pursuant to Section 373 and 378 of the *Municipal Act*.