

Treasury Department	 Municipality of Dutton Dunwich	Content Updated: September 28, 2022
Section: Finance & Accounting		Supersedes Policy: March 9, 2016 Resolution: May 15, 2016
Policy No:		Approved by Council:
Pages: 8		Resolution:

PROPERTY TAX BILLING AND COLLECTIONS POLICY	
PURPOSE	The Municipality of Dutton Dunwich recognizes the importance of having a written billing and collection policy for property tax accounts, incorporating good and acceptable business practices and efficiencies, which is consistent and fair to its residents and to the Municipality.
SCOPE	The Municipal Property Tax Billing and Collections Policy applies to all customer property tax accounts within the geographical boundaries of the Municipality of Dutton Dunwich. Municipal staff assigned to the administration and collection of tax accounts shall adhere to the policies and procedures outlined within.
OBJECTIVE	This policy is written in compliance with the Municipal Act, 2001, related Ontario Regulations under the Act; and applicable Municipal By-Laws, as amended from time to time.
DEFINITIONS	<p>Property Tax: means taxes which are levied upon the whole of the assessment for real property.</p> <p>Supplementary Tax Bill: means tax calculated as a result of supplementary and/or omitted assessment rolls received during a year from the Municipal Property Assessment Corporation (MPAC).</p> <p>Property Owners: means the person(s) listed on the property tax account.</p> <p>MPAC: means the Municipal Property Assessment Corporation.</p> <p>Municipality: means The Municipality of Dutton Dunwich.</p> <p>Payment Plan: means a written and signed payment arrangement authorized by appropriate staff.</p> <p>Tax Arrears: means any portion of Property Taxes that remain unpaid after the date on which they are due.</p> <p>Tax Arrears Certificate: means a document that is registered on title, indicating the described property will be sold by public sale if all</p>

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Property Taxes are not paid to the Municipality within one year of the registration of the certificate.

Due Date: means the last date by which a property tax bill may be paid in accordance with the terms of payment on the municipal invoice.

Penalties and Interest: means the amounts applied by the Municipality to unpaid property tax accounts, in accordance with section 345(1) of the Municipal Act, 2001 and applicable Municipal By-Laws.

Treasurer: means the person appointed by the Municipality who is responsible for handling all of the financial affairs of the municipality on behalf of and in the manner directed by the council of the municipality.

Council: means the Council of the Municipality of Dutton Dunwich

Tax Collector: means a designated member of staff that is appointed and supervised by the Treasurer and is responsible for the billing and collection of property taxes.

Change Event: means assessment changes resulting from: Minutes of Settlement resulting from Requests for Reconsideration and Assessment Review Board Appeal decisions; Section 357/358/359 Application Decisions; Post Roll Amended Notices (PRANs); Advisory Notice of Adjustment (ANAs); Severance/Consolidation Apportionments; Tax Incentive Applications (TIAs); and other assessment change documents issued by the Municipal Property Assessment Corporation (MPAC).

Extension Agreement: means a contract between the Municipality and the property owner(s) or a person deemed to have interest in the land to extend the period of time in which the Cancellation Price is to be paid. The contract is entered into after the registration of a Tax Arrears Certificate and before the expiry of the one (1) year period following the registration date.

PROCEDURE

Tax Notices and Tax Installments

A levying By-Law passed by Council is required in advance of either an interim or final tax billing. Interim and final tax bills will be due and payable in two installments each year and the specific dates will be identified in both the interim and final levy By-Laws for the municipality.

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Upon receipt of the Collector's roll from MPAC, the tax collector is charged with the responsibility of collecting the taxes. The tax collector shall prepare two property tax notices annually, an interim tax notice and a final tax notice for taxpayers within the Municipality. Each notice shall state two installment due dates to facilitate a quarterly payment system. The municipality is required to mail or electronically deliver to each taxpayer a minimum of twenty-one (21) calendar days prior to the first installment due date for interim, final and supplemental tax bills, as set out in the Municipal Act, 2001.

Property tax bills will still be sent to property owners in any preauthorized payment plan and where property tax bills are paid by mortgage companies. There will be a note on the tax bill "do not pay", as this is for information or income tax purposes only.

Failure to receive a tax bill does not excuse a property owner from the responsibility for payment of property taxes nor relieve the property owner of the liability for the penalty and interest charges.

Interim Tax Levy

The interim tax bill sent out in February shall represent fifty percent (50%) of the previous year's annualized taxes and will include any arrears from previous periods. It is payable in two installments which are the last business day in February and the last business day in May.

Final Tax Levy

After the completion of the annual budgetary process, and the setting of tax ratios and rates, a final tax bill will be sent out in August to each property owner identified on the returned assessment roll. The final tax bill shall be the levied taxes for the year less the interim tax bill and is payable in two installments which are the end of August and the end of November.

Local Improvement charges, miscellaneous charges and Special Area Rates

Should there be local improvement charges, miscellaneous charges or special area rates, they will be applied on the final tax notice. Such charges become part of the total taxes due and shall be collected in like manner as property taxes.

Supplemental Tax Bills

Where there is a change event for a property, the Municipal Property Assessment Corporation (MPAC) will send supporting

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documentation to the Municipality. The tax collector will produce a supplementary tax bill or credit notice as soon as practical. Credits will be applied immediately to the tax roll, billings will be applied and spread over any of the remaining tax billings. A statement of account with explanations will be sent to the property owner along with the supplemental tax bill.

Other Fees and Charges added to Property Taxes

Outstanding invoice amounts for fees and charges that are imposed by a municipality or local board for drinking water; natural gas; steam or hot water; the use of a sewer system; for the use of a waste management system; or drainage repairs; and, maintenance or replacement costs will be added to the tax roll and are collected in like manner as property taxes and have priority lien status.

Bill Payment Options and Plans

Property tax payment amounts will be accepted if received on or before the due date. All payments will be marked received by the date they arrive at the office.

Payments may be made at the Municipal Office located at 199 Currie Road by cash, cheque or debit; through online banking, and at most bank branches, bank machines and kiosks. Post-dated cheques are accepted. A secure drop box is available at the side door of the municipal building for payments being made after business hours. It is strongly recommended that residents do not leave cash in the drop box.

Preauthorized Payment Plans are available through the office and can be arranged on a monthly basis or by installment date. Monthly and by installment date preauthorized payment plans are exempt from late fees and penalties and will not accrue interest on outstanding balances, nor will it accrue interest on credits. Monthly payment plans are reviewed at the beginning of the year for interim tax bills and again in the fall for final tax bills. A letter will be sent to the property owner to advise them of the amount required. Monthly payment plans run for eleven (11) months from January to November.

Tax Arrears Payment Plan

Where property taxes have fallen behind creating tax arrears, the Municipality and the property owner may enter into a payment agreement called the Budget Pre-Authorized Payment Plan. The Budget Pre-Authorized Payment Plan is designed to assist property owners during a hardship with getting their property tax bills paid up

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to date. The Treasurer or delegated staff will calculate the appropriate monthly payment amount necessary to get the tax account balanced within the shortest amount of time. Once a monthly amount is established by mutual agreement, the budget pre-authorized payment plan will commence. The budget pre-authorized payment plan is subject to penalties and interest as specified in the Municipal Act, 2001.

Interest and Penalty

Interest and penalty at the percentage established by the Municipal Act, 2001 will be added to the tax account 3 days after the due date.

Returned Payments

Should a cheque or Preauthorized Payment be returned for insufficient funds, closed account, frozen accounts or account errors, the fee as established by the Municipal Fees and Charges By-Law will be added to the property tax account. A letter along with a statement of account will be sent to the property owner to notify them of the returned payment. If a pre-authorized payment plan has more than one returned payment, the Municipality reserves the right to notify the customer in writing that they are being removed from the preauthorized payment plan.

Should the customer pay the amount that came back as returned within a 24-hour period, the fee will be waived.

Statements

For property tax accounts that are more than one hundred dollars (\$100) in arrears, a statement of account will be sent out each month after the penalty and interest charges have been applied.

Collections through Tax Registration/Tax Sale Procedures

Properties that are more than two (2) years in arrears, are eligible for the Tax Registration Process. The Treasurer and tax collector will review the properties that qualify for tax registration at the beginning of the year. A letter is sent to property owners to notify them, with a deadline for the property owner to contact the office to set up a budget pre-authorized payment plan.

If the property owner does not contact the office by the deadline, the contracted tax registration firm will be provided with the required property information to initiate the tax registration process. Any related fees will be added to the property tax account.

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The contracted tax registration firm will send notices to the properties and a twenty-two (22) day waiting period will commence.

Within the twenty-two (22) day waiting period, the property owner may arrange a payment plan with the Municipal office or make partial payments or full payment to their property tax account.

Once the Tax Arrears Certificate has been registered by the contracted tax registration firm, the property will then be marked as registered, and no partial payments can be accepted. The full cancellation price must be paid unless an extension agreement has been entered into between the Municipality and one of the following:

1. Any owner of the land;
2. The spouse of the owner;
3. Any mortgagee;
4. Any tenant in occupation of the land; or
5. Any person the treasurer is satisfied has an interest in the land.

It is no longer required that an Extension Agreement be approved by council and passed by by-law.

Maximum term of an extension agreement is twelve (12) months to clear all outstanding balances on the property tax account.

Where an extension agreement has not been entered into or there is a breach of the agreement, the property owner or a person with interest in the land has one year from the date of registration in which to redeem the property by paying the cancellation price which includes all taxes, penalty, interest and all associated legal and administrative fees and costs.

If the cancellation price has not been paid within the specified one-year timeframe, the property will be advertised for sale by tender or auction according to legislated procedures.

Where there is a successful purchaser, the property is transferred to the name of the successful bidder.

Where there is no successful purchaser, all risks of taking possession of the property are identified, including any Crown Liens or environmental issues, after which time the property is registered in the name of the municipality or the Tax Sale proceedings are cancelled.

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METHOD OF ENFORCEMENT

This policy is written in compliance with the Municipal Act, 2001, related Ontario Regulations made under the Act, and applicable Municipal by-laws, as amended from time to time.

Ontario Regulation 581/06 of the Municipal Act, 2001

Certain public utility fees and charges

1. Fees and charges that are imposed by a municipality or local board under the Act for the following services and added to the tax roll under subsection 398 (2) of the Act have priority lien status as described in section 1 of the Act:

1. For the supply of water.
2. For the supply of artificial or natural gas.
3. For the supply of steam or hot water.
4. For the use of a sewage system.
5. For the use of a waste management system. O. Reg. 581/06, s. 1