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|  | Township Of Perth South | |
| | Section: Finance & Treasury | Police Number: AR-01 |
| | Sub-section: Accounts Receivable | Effective Date: September 7, 2021 |
| | Subject: Property Tax Billing and Collection Policy | Revision Date: |
| | | Prepared by: Rebecca Clothier, CAO/Treasurer |

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SECTION A – Overview of Policy, Procedures and Implementation

1. Introduction

1.1 This policy was developed to provide guidance to staff on the procedures pertaining to the billing and collection of taxation revenues. It is designed to be implemented in accordance with the governing legislation. Should there be any contradictions between this Policy and the governing legislation, the provisions in the legislation will prevail.

2. Policy Statement

2.1 The Township of Perth South collects taxation levies on behalf of the Township, County of Perth and school boards, and is responsible to ensure that all taxation revenues are collected. Council wishes to ensure prompt billing of the taxation levy in order to meet the budgetary expenditures of the Township and also to ensure that collection policies are appropriate within the requirements of the legislation.

3. Purpose

3.1 The billing and collection of municipal taxation levies on a timely basis is an important tool to support the efficient cash management of the municipality. The purpose of this policy is to provide guidelines for staff and to complete the billing and collection in a consistent, fair and equitable manner. The procedure will serve as a reference for Council and staff when answering concerns of ratepayers.

4. Scope


4.1 This policy covers all aspects of billing and collection of Property Taxes, up to and including the initiation of Municipal Tax Sale proceedings.

4.2 This policy excludes collection of payments-in-lieu taxes and other accounts receivables

5. Legislative Authority

5.1 This policy is written in compliance with:

- a) *Assessment Act, R.S.O. 1990, c.A.31 (Assessment Act)*, as amended, and related Ontario Regulations made under this Act.
- b) *Assessment Review Board Act, R.S.O. 1990, c. A.32, (ARB Act)*, as amended, and related Ontario Regulation made under this Act;
- c) *Municipal Act, 2001, S.O. 2001, c. 25 (Municipal Act)*, as amended, and related Ontario Regulations made under the Act;

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- d) *Planning Act, RSO 1990, c P.13 (Planning Act)*, as amended, and related Ontario Regulations made under this Act; and
- e) applicable Municipal by-laws, as amended from time to time.

6. Definitions

6.1 For the purposes of this policy:

“Cancellation Price” means an amount owing equal to all Tax Arrears, together with all current taxes owing, Penalties and interest and costs incurred by the Municipality after the registration of a Tax Arrears Certificate under section 373 of the Act and may include:

- a) Legal fees and disbursements;
- b) The costs of preparing an extension agreement under section 378 of the *Municipal Act*;
- c) The cost of preparing any survey required to register a document under section 373 of the *Municipal Act*;
- d) a reasonable allowance for costs that may be incurred subsequent to advertising under section 379 of the *Municipal Act*.

“Collection Costs” means all costs incurred by the Municipality to obtain information for collection purposes and/or collect Tax Arrears including, but not limited to title search fees, corporate search fees, registered mail, administrative charges, legal costs and tax sale costs.


“County” means the Corporation of the County of Perth.

“Extension Agreement” means a contract between the Municipality and the owner, spouse of the owner, a mortgagee or a tenant in occupation 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-year period following the registration date.

“Penalties and Interest” means amount applied by the Municipality to unpaid Property Tax accounts, in accordance with section 345 of the *Municipal Act* and applicable Municipality by-laws.

“Municipality” means the Corporation of the Township of Perth South.

“Municipal Property Assessment Corporation” or **“MPAC”** means the Ontario Crown Corporation.

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“Municipal Tax Sale” means the sale of land for Tax Arrears according to proceedings prescribed by Part XI of the *Municipal Act* and *Ontario Regulation 181/03*.

“Property Taxes” means the total amount of taxes for the Municipality, County and School Board purposes levied on a property and includes other amounts added to the tax roll as may be permitted by applicable Provincial legislation:-

“School Boards” means collectively the four school boards in which the Municipality distributes taxation levy funds.

“Tax Arrears” means any portion of Property Taxes that remain unpaid after the date on which they are due.

“Tax Arrears Certificate” means a document that is registered on title, indicating the described property will be sold by public sale if all Property Taxes are not paid to the Municipality within one year of the registration of the certificate.

“Third Party Cheque” means a cheque payable to another party other than the Corporation of the Township of Perth South

7. Administration and Accountability

7.1 This policy is administered by the Finance Department.

7.2 The Treasurer is responsible for:

- a) Ensuring this policy remains consistent with current legislation;
- b) Ensuring applicable staff are aware of and trained on this policy;
- c) Communicating any policy revisions to applicable staff; and
- d) Assessing overdue Property Tax accounts to ensure tax collection processes are performed in accordance with this policy.

8. Reporting

8.1 The Treasurer will maintain the following reports and provide them to Council on an annual basis, or more frequently as directed:

- a) Tax Arrears Certificates Registered – Lists all properties against which Tax Arrears Certificates have been registered, identifying the amount of arrears, redemption date of each and details of any Extension Agreements in place.
- b) Tax Collection Summary – Summarizes taxes billed in the current year and total outstanding Property Taxes from current and previous years.

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- c) Tax Collection Comparison - Compares Property Taxes billed and collected in the current year and previous five (5) years.
- d) Property Assessed Value Versus Taxes Overdue – List properties where property tax arrears are greater than 40% of the current year’s assessed value of the property.
- e) Tax Accounts with Property Taxes Arrears Greater Than \$75,000 – List properties where the total property tax arrears are greater than \$75,000 and identifies the collection action taken.
- f) Bailiff Performance – Reports Bailiff success rate in collecting property tax arrears.

SECTION B – BILLING AND DELIVERY OF TAX BILLS

9. Taxation Billing

- 9.1 The authority to levy taxes is provided in Sections 311 and 312 of the *Municipal Act* and it requires that Councils shall, each year, pass a by-law levying a separate tax rate on the assessment in each property class in the municipality for the purpose of satisfying the financial obligations arising from the annual budget process.
- 9.2 A levying by-law passed by Council is required in advance of the Interim and/or Final Tax billing. A separate levying by-law is not required for supplementary tax billings.
- 9.3 Annual property taxes are billed in four installments, two included in the interim billing and two included in the final billing.
- 9.4 Tax bills will be prepared in a format that complies with legislated requirements under Ontario Regulation 75/01 of the *Municipal Act*.
- 9.5 Any arrears will be included in each tax billing’s first installment due date amount. Installment due dates will be indicated on the payment stubs attached to the main tax bill.
- 9.6 Billing messages may be used on the face of the tax bill when needed.
- 9.7 The cents amount of the total bill will be collected in full on the first installment of each tax billing.
- 9.8 Section 355(1) of the *Municipal Act* permits the municipality to establish a minimum tax billing amount to ensure cost effectiveness when issuing tax bills. The Municipality will not have a minimum bill amount.

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- 9.9 Tax billings will have a minimum installment of \$25.00. In this case, the taxpayer shall pay the full amount in one installment on the specified due date. The second installment date will not apply.
- 9.10 Outstanding charges authorized by legislation may be added to a tax billing and collected as taxes. Such costs may include but are not limited to dog tag billings, water billings, landfill billings, recreation billings, property standard costs billed, and public works billings.
- 9.11 All participants in the instalment preauthorized payment program will receive a tax bill, with a note on the bill that they are a participant in a preauthorized payment plan and that the bill is for information purposes only.
- 9.12 All property owners who have their property taxes paid by the mortgage holder will receive a tax bill, with a note on the bill that their taxes are paid by mortgage company and that the bill is for information purposes only.

10. Interim Billings


- 10.1 As provided in the *Municipal Act* each property owner, identified on the returned assessment roll, shall be mailed an interim tax bill. The interim bill shall represent up to fifty percent (50%) of the previous year's annualized taxes.
- 10.2 Interim billings shall be prepared and mailed on the last business day of January.

11. Final Billings

- 11.1 Final tax bills are produced after the passing of the annual municipal budget and are based on tax rates established by the final tax rate by-law based on the budget requirements of the Municipality, County of Perth and Minister of Education. Final bill shall be mailed to each property owner identified on the returned assessment roll, as amended by MPAC throughout the year.
- 11.2 The final tax bill shall be the levied taxes for the year less the interim bill, and be payable in two instalments. This final bill will be produced and mailed on the last business day of August.

12. Supplementary Billings

- 12.1 Omission Billings - Section 33 of the *Assessment Act* allows for the taxation of real property that has been omitted from the roll. The provision allows for the taxation in the current year, plus a maximum of the two preceding years.
- 12.2 Supplementary Billings – Section 34 of the *Assessment Act* allows for the taxation of assessment increases arising from changes to property values (triggered by

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building construction/renovation), classification, or tax-exempt status. These taxes apply to the current year only.

- 12.3 After receiving notification from MPAC, tax bills shall be calculated, printed, and mailed to each property owner identified on the supplementary/omitted assessment notification listing from MPAC in the same manner as Interim and Final tax bills with the exception that a separate tax levying by-law is not required.
- 12.4 Supplemental billings will include a letter to the property owner to inform them of the reason for the increase in assessment and the effective date of the new assessment.
- 12.5 Penalties and interest charges will be assessed on supplemental taxes that are owing past their due date.
- 12.6 Participants in the monthly preauthorized payment program will receive a notice advising that they must pay the supplementary bill over and above their currently monthly payment plan or contact the Municipality in writing to amend their pre-authorized amount to include this billing prior to the end of the calendar year. Note that the supplementary bill may be processed closer to the end of the year and there may not be sufficient time to accommodate a monthly payment plan.

13. Recalculation of Property Taxes at Time of Sale


- 13.1 The Municipality will not recalculate the property taxes for a part year on the date of sale of a property. The property taxes for a property being sold are adjusted for on the Statement of Adjustments prepared by the seller's/Purchaser's lawyer. Any questions regarding the property tax split on the sale/purchase of a property should be directed to the lawyers involved in the sale.

14. Severances

- 14.1 Property owners may apply for severances of their properties under the authority of the *Planning Act*. If granted by the governing body with the legislative authority, the assessment values must be split between all of the parcels of land. As part of their legislative service, MPAC divides the assessment information.
- 14.2 Under the authority of Section 356 of the *Municipal Act*, the Treasurer may apportion the assessment from the original parcel to reflect the revised configuration consisting of two or more lots and bill the current owners.

15. Consolidations

- 15.1 The *Planning Act* stipulates that abutting lands with common ownership automatically become one parcel unless the lands have been subjects of a Land

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Division Committee of Adjustment consent or are whole lots/blocks in a registered plan of subdivision. Complying with the *Planning Act* is an operation of law. The request or consent of the owner is not required.

- 15.2 Consolidations are processed by MPAC and Property owners should contact MPAC directly with questions related to consolidations.

16. Local Improvement Charges and Special Area Rates

- 16.1 Where local improvement charges and special area rates are to be placed on the tax notice, they may be placed on either the interim or final tax billings, or both billings, as determined by the Treasurer. When such charges are placed on a tax billing, they become part of the total taxes due and shall be collected in the same manner as taxes.


17. Due Dates

- 17.1 The *Municipal Act* section 343(1) provides that each property owner be given twenty-one (21) days notice to pay when receiving a tax bill. The Municipality may give more notice wherever possible.
- 17.2 Payment of taxes must be received by the Municipality's administrative office, or be post marked or financial institution date stamped, on or before the due date.
- 17.3 The specific due dates will be identified in both the Interim and Final Levy By-laws.
- 17.4 The established due dates are as follows:
- Interim Billing
 - First Installment: The last business day of February;
 - Second Installment: The last business day of May.
 - Final Billing
 - First Installment: The last business day of September;
 - Second Installment: The last business day of November.

18. Property Tax Bill Distribution

18.1 Property Tax Billings Mailed

- 18.1.1 In accordance with section 343(1) of the *Municipal Act* Property tax bills must be post marked and mailed no later than twenty-one (21) days prior to the payment due date.

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18.1.2 Penalties and interest are applied in advance to outstanding tax balances to accommodate for the mailing parameters.

18.1.3 Property tax bills and notices are mailed to the address of the property as shown on the tax roll unless the taxpayer advises the Municipality, in writing, of an alternative mailing address. Use of the alternative mailing address continues until it is revoked in writing or ownership of the property changes.

18.1.4 Property tax bills sent by regular mail are considered delivered to and received by the addressee unless the notice is returned by the Post Office or an error in the mailing address is proven. It is the responsibility of the property owner to ensure that the Municipality has the correct address. Failure to notify the Tax Collector of an address change in writing is not an error on behalf of the Township.

18.1.5 Failure to receive a property tax bill does not exclude the property owner from the responsibility of payment of taxes, nor penalty and/or interest for late payments.

18.2 Property Tax Billings e-Mailed

18.2.1 Property owners may authorize the Municipality to transmit all property tax bills to the email address provided on the ‘E-mail of Future Property Tax Bills and Water Bills’ Authorization’ form. The property owner will not receive property tax bills by regular mail and failure to receive a property tax bill does not exclude them from the responsibility of payment of taxes, nor penalty and/or interest for late payments. Responsibility for contacting the Municipality with any future change in the email address resides with the property owner.

18.3 Mortgage Company

18.3.1 A mortgage company responsible for paying property taxes on a specific property will be provided with a listing of roll numbers, taxes due and owing and the due dates for each property that they have provided the Township with notification that they hold a mortgage on a particular property.

SECTION C – PAYMENTS

19. Payment Options

19.1 The following are modes of payments that are typically available for the property owner’s use:

- a) In person at the Municipal Office located at 3191 Road 122, St Pauls. The office is open Monday to Friday, excluding statutory and other

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holidays, from 8:30 am to 4:30 pm. An external drop box is also available 24 hours a day 7 days per week.

b) By mail to:

Township of Perth South
3191 Road 122
St. Pauls, ON N0K 1V0

- c) Telephone or Internet Banking – using the nineteen-digit roll number as the account number
- d) At many financial institutions
- e) Installment or Monthly Preauthorized Payment Plan (PAP)
- f) Payments by a mortgage holder
- g) Other alternatives as approved by the Treasurer

19.2 Payment may be in the form of cash, Interac direct payment, cheque, postdated cheque, money order, bank draft or electronic funds transfer. Credit card payments are not accepted for property taxation payments.

19.3 Taxpayers are responsible for any fees and charges that may be imposed when making payments.


19.4 Taxpayers assume the responsibility for the late arrival of the payment when payments are made by mail, telephone and/or internet banking, and payments made at financial institutions.

19.5 Cheques which are post-dated will be accepted and held by the Finance Department until the date indicated on the cheque. If the payer should request that the post-dated cheque not be processed, the Township should be contacted at least three (3) days prior to the date indicated on the cheque. If proper advance notice is not received, staff will attempt to retrieve the cheque before processing. In the circumstance of a failed attempt to retrieve the payment before processing, the payer will be encouraged to issue a stop payment on their cheque; however, applicable return cheque fees will apply.

19.6 Third party cheques will not be accepted.

19.7 When payment is made in coins, the following amounts must be counted, sorted and wrapped in manner that is acceptable by financial institutions:

- a) One cent coin amounts that exceed 49 cents;
- b) Five cent coin amounts that exceed \$1.95;

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- c) Ten cent coin amounts that exceed \$4.90;
- d) Twenty-five cent coin amounts that exceed \$9.75;
- e) \$1.00 coin amounts that exceed \$24.00; and
- f) \$2.00 coin amounts that exceed \$48.00.

- 19.8 When payment is made in coin, a maximum of \$200 in rolled coin will be accepted for payment.
- 19.9 For cheques received in excess of the amount owing on the tax account, no change will be rendered. The credit will be applied to the tax account and installments not yet due. At the written request of the taxpayer or financial institution that made the overpayment, a refund cheque will be requisitioned, after the cheque has been cleared by the Municipality's financial institution.
- 19.10 Payments tendered in U.S. Funds will be accepted at the exchange rate established by the Township's financial institution on the date of deposit.
- 19.11 Receipts will be provided for all cash payments and upon request by the registered owner for all other methods of payment. Receipts will be provided when requested in person, or mailed to the property owner provided a stamped (postage paid) self-addressed envelope is provided. For registered owners whose payments are made on their behalf by a mortgage company, the receipted tax billing will be sent to the registered owner upon request.
- 19.12 If a property has been registered through the Municipal Tax Sale process the payment MUST be in the form of a certified cheque or bank draft. In addition, a partial payment will not be accepted where a Tax Arrears Certificate has been registered against a property, except where the Municipality has entered into an Extension Agreement.


20. Payment Application

20.1 In accordance with Section 347 of the *Municipal Act*, payments shall be applied as follows:

- 1. First to the oldest and all penalty and interest,
- 2. Then to the taxes starting with the oldest taxes up to the current,
- 3. Then to other charges added to the roll.

21. Pre-Authorized Payment (PAP) Plan


21.1 Pre-authorized payment plans have been implemented to assist taxpayers with their personal budgeting and to ease the possible financial strain of making full installment payments.

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- 21.2 Taxpayers whose property tax account is not in arrears may pay the current year’s taxes through twelve (12) monthly pre-authorized electronic payments from January to December, or through electronic pre-authorized payments on the due dates.
- 21.3 Properties enrolled in either of the pre-authorized payment plans are not subject to any late payment charges for the non-payments of taxes on the due dates.
- 21.4 To participate in the pre-authorized payment plan applicants must submit a Pre-Authorized Tax Payment Plan Authorization Form at least twenty (20) calendar days prior to the payment withdrawal date.
- 21.5 To change banking details participants must complete a Pre-Authorized Tax Payment Plan Authorization Form indicating their desire to change banking details and provide the necessary information. The form must be submitted at least twenty (20) calendar days prior to the payment withdrawal date.
- 21.6 To terminate the pre-authorized payment plan participants must complete a Pre-Authorized Tax Payment Plan Authorization Form indicating their desire to terminate their participation in the plan. The form must be submitted at least twenty (20) calendar days prior to the payment withdrawal date.
- 21.7 All participants in any preauthorized payment program will receive a tax bill with a note on the bill that they are enrolled in a preauthorized payment plan and that the bill is for information purposes only.
- 21.8 The following preauthorized payment plans are offered:
- a) **Monthly** – provides for a withdrawal from the property owner’s financial institution account to the Municipality’s financial institution account, on the 20th of each month, an amount sufficient enough to ensure that all taxes billed are paid within the current year.

The dollar amount to be withdrawn from the participants account shall be recalculated twice a year:

- 1) Once in December, for the next tax year, calculating a monthly amount based on the current year’s taxes averaged over twelve payments to take effect on January 20 of the year. For example, in December 2021 take the total taxes for 2021 and divide by 12.

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This would give the monthly withdrawal amount commencing on January 20, 2022; and


- 2) After the calculation of the final bill. This calculation would be the current year's taxes, less what has been paid, divided by the remaining withdrawals in the year.

Participants in the monthly pre-authorized payment program will receive a notice in December and June advising them of the amount of their monthly payment withdrawal from their financial institutions account.

- b) **Instalment** – provides for a withdrawal from the property owner's financial institutions account to the Municipality's financial institutions account, on the due date an amount sufficient enough to ensure that all installment taxes due and payable on the said date are paid in full.

22. Returned Payments

- 22.1 All payments returned from a financial institution for any reason, with the exception of "post-dated", will be removed from the tax account and shall be charged for a fee in accordance with the Municipality's Fees and Charges By-law.
- 22.2 The payer shall be advised of the returned payment, administrative fee, and the current balance due and owing on their account.
- 22.3 If two cheques are returned from any financial institutions for any reason within a period of one (1) year on a ratepayer's account, personal cheques will not be accepted from that ratepayer for one (1) year, unless the cheque has been certified.
- 22.4 Pre-authorized Payment Plan payments returned from a financial institution for any reason will result in the payment being removed from the applicable tax account and an administrative fee, as indicated in the Municipality's Fees and Charges Bylaw, being added to the applicable account. The property owner will have to utilize an alternate payment method to clear the arrears on the property. The property will be removed from the pre-authorized payment plan until such time as the account is no longer in arrears.
- 22.5 If Two (2) pre-authorized payments within any twelve (12) month period are returned by the financial institutions for any reason, enrollment in the pre-authorized payment plan will be terminated. Penalty and interest will be applied to

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all amounts past due. The property owner may re-apply after a period of one (1) year. If there is a reoccurrence of two (2) pre-authorized payments returned thereafter, enrollment in the pre-authorized payment plan will be terminated indefinitely.

23. Tax Payment Refunds

- 23.1 Refunds for overpayments will be issued by cheque.
- 23.2 Duplicate payment refunds will not be issued until ten (10) business days after the date of the payment which caused the duplicate payment to allow sufficient time the taxpayer's duplicate cheque to clear.
- 23.3 Credit balances on a tax account resulting from a tax write off will be applied to the next installment, unless the property owner requests a refund.

SECTION D – Collection Procedures on Tax Arrears

24. Tax Arrears Collection

- 24.1 Realty taxes are a secured special lien on land in priority to any other claim, except a claim by the Crown. Taxes may be recovered with costs as a debt due to the Municipality from the original owner and/or any subsequent owner of the property.
- 24.2 The Municipality will primarily use the following methods to collect Tax Arrears:
 - a) Verbal communication, including telephone inquiries and follow-up;
 - b) Issue Year End Statements of Taxes, Overdue Notices and Final Notices;
 - c) Send the taxpayer a form or personalized letter(s);
 - d) Arrange terms of payment
 - e) Issue notices to Interested Parties. If a title or corporate search is conducted the cost of the title search will be added to the tax account;
 - f) Legal action; and
 - g) Municipal Tax Sale.

25. Year End Statement of Taxes

- 25.1 The *Municipal Act* requires that the Treasurer send a statement on or before February 28th of each year to any property owner who has arrears on their respective tax accounts. A Tax Arrears statement will be mailed in January to any property owner who has arrears on their respective tax account. The balance at December 31st will be included on the Balance forward line of the Statement.

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26. Collection Steps

- 26.1 To remind property owners that their tax account is not in good standing the Finance Department shall send a reminder notice to each property owner, whose account is over ten dollars (\$10.00) in arrears. Tax Arrears statements will not be sent to taxpayers with overdue amounts less than ten (\$10.00) dollars.
- 26.2 Tax Arrears statements shall be forwarded to the property owner on or before the seventh (7th) of day of each month except for the months that the Interim and Final tax billings are issued as the tax arrears will be included on the Total Arrears line of the tax bill.
- 26.3 Tax Arrears statements may be sent out more frequently at the discretion of the Treasurer.

27. Collection Payment Incentives

- 27.1 There are five basic incentives set out by legislation to promote timely payment of taxes as follows:
1. Penalty and interest
 2. Rent attornment
 3. Bailiff action
 4. Collection through the Courts
 5. Tax registration and sale

28. Penalties and Interest Charges

- 28.1 The purpose of penalty is to encourage ratepayers to pay property taxation payments on the due date.
- 28.2 In accordance with section 345 of the *Municipal Act* a municipality may, in accordance with this section, pass by-laws to impose late payment charges for the non-payment of taxes or any installment by the due date.
- 28.3 A percentage charge, not to exceed 1 ¼ per cent (1.25%) of the amount of taxes due and unpaid, may be imposed as penalty for the non-payment of taxes on the first date of default.
- 28.4 A percentage charge, not to exceed 1 ¼ per cent (1.25%) each month of the amount of taxes due and unpaid, may be imposed as interest for the non-payment of taxes in the manner specified in the by-law but interest may not start to accrue before the first day of default.

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28.5 The Township's enacted rate for penalty and interest is established in the Township's Tax Rate By-law. Reference should be made to the Tax Rate By-law for the current year to determine the current rates.

28.6 Penalty and interest are charged pursuant to the requirements set out in legislation: penalty charged the first day of default of each installment, and interest the first of each month thereafter.

28.7 The Treasurer and other finance staff have no authority to waive or alter penalty and/or interest applied to the tax roll, excluding those described in Section 28.8 of this policy. The taxpayer can write to the Council of the Township of Perth South for reconsideration and their decision will be final.

28.8 Penalty and interest charge adjustments are limited to the amount related to the tax reduction associated with a tax adjustment, change in assessment or municipal error and are adjusted only in accordance with:

28.8.1 Tax adjustments under Section 357 of the *Municipal Act* (application for cancellation, reduction, refund of taxes), Section 354 (2)(b) (as a result of tax relief), and Section 354 (3) (uncollectable after tax sale) of the *Municipal Act*.)

28.8.2 Assessment Review Board decisions;

28.8.3 Direction of Council under Section 354(2)(a); and

28.8.4 Approved by the Treasurer as a gross or manifest clerical error under Section 358(1).

28.8.5 The postmark on mailed payments or financial institution dating being clearly on or prior to the due date;

28.8.6 Penalty and Interest Reversal on Write-offs

As per the *Municipal Act* Section 345(6) and 345(7) penalty interest that has accrued on a property tax account as the result of nonpayment, and a write-off of taxes has occurred as the result of one of the legislation tax reduction methods; the penalty and interest shall be reversed as though the taxes had originally been billed correctly.

29. Rent Attornment

29.1 Section 351 of the *Municipal Act* authorizes the Municipality to seize the rents to discharge the property tax arrears on an income producing property upon giving

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proper notice. The seizure of rent is the most severe deterrent on this type of property as it deprives the owner of their operating funds required to operate the rental units. The collection of rent does not impose upon the Treasurer or the Municipality the responsibilities of the landlord.

29.2 Rent attornment is a severe action and should only be initiated after adequate notice which should include the following:

29.2.1 On March 1 of the first year following the arrears, the assessed owner(s) must be notified that the account is in serious arrears and that if full payment or payment arrangements in accordance with Section 32 of this policy are not made within thirty (30) days of the date of the notice, the seizure of rents could take place.

29.2.2 If no payment is received or payment arrangement made following the notice in section 25.2.1 of this policy, the property owner(s) will be notified of the effective date that rent attornment will take place by the Municipality if payment in full is received or payment arrangements in accordance with Section 32 of this policy are not made.

29.3 The tenant may be given notice in writing requiring the tenant to pay the applicable rent in respect to the property to the Municipality as it becomes due until the property tax debt plus costs on the property have been paid in full.

30. Bailiff Action

30.1 Section 351 of the *Municipal Act* authorizes the Municipality to issue a warrant to distrain for property taxes if the taxes remain unpaid after the installment due date.

31. Collection Through the Courts

31.1 Section 349 of the *Municipal Act* allows the Municipality to recover property taxes and costs

32. Payment Arrangements

32.1 The Treasurer may enter into payment arrangements with ratepayers at any time prior to the registration of a Tax Arrears Certificate. Payment arrangements must include all property tax arrears, current taxes, accruing estimates of future taxes, penalties and interest and be sufficient to ensure payment in full is realized within a reasonable period of time. Penalties and interest will continue to accrue during all such payment arrangements until full payment on the account has been made.

32.2 Payment arrangements must be approved by the Treasurer.

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- 32.3 Pre-authorized payments may be considered for installment payments on payment arrangement Agreements at the Treasurer's discretion.
- 32.4 Notwithstanding any such arrangements, no third party payments will be refused for payment on account (e.g. payment from a mortgagee), as long as the third party has sufficient information regarding the property. Confidential account information will not be released to unauthorized parties.
- 32.5 If acceptable payment arrangements are negotiated, the account is monitored for compliance. Follow-up with the taxpayer, if necessary, will be by telephone or in writing, as required.
- 32.6 Once a payment arrangement has been established, if there are two consecutive returned payments or two payments are returned within six months, the payment arrangement is deemed void and the taxpayer is advised that payment in full by certified funds or money order, is required or further collection steps will be taken.

33. Final Warning Prior to Tax Sale Letter

- 33.1 In September of each year the Municipality shall review its Property Tax Aged Trial Balance for properties that are approaching the accumulation of three years of property tax arrears.
- 33.2 A Final Warning Prior to Tax Sale letter are mailed in September of each year to property owners who will have three years or more of Property Tax arrears as of January 1 of the following year.
- 33.3 The Final Warning Prior to Tax Sale advises the Property Owner they have until December 31 of the current year to pay the tax arrears, either in full or in an amount sufficient to clear the third year of tax arrears, or enter into a firm, suitable payment arrangement with the Municipality in accordance with Section 32 of this policy.
- 33.4 A Final Warning Prior to Tax Sale letter fee will be added to the account in accordance to the fee established in the Municipality's User Fee By-law.
- 33.5 If a reasonable payment arrangement is accepted by the Municipality the property will not be placed in the tax sale process, but should the arrangements not be followed the tax sale process would begin immediately.

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SECTION E – TAX SALES

34. Tax Sales Proceedings

- 34.1 A property tax account that has any part of three years or more of outstanding taxes as of January 1 of the current year is eligible for tax registration and tax sale proceedings.
- 34.2 Tax Registration and Tax Sale is a last resort and should be avoided if possible by encouraging the ratepayer to either make full payment or entering into a payment agreement in accordance with Section 32 of this policy. Municipal staff should make all reasonable efforts to collect arrears prior to a tax sale.
- 34.2 On a yearly basis, by February 1st, a listing of tax sale qualifying accounts will be generated by the Treasurer, which will exclude any properties that already have a registered tax arrears certificate or an executed extension Agreement registered on title.
- 34.3 The listing of qualifying tax sale properties will be distributed internally to other departments to ensure that there are no outstanding issues regarding a property that may involve the Municipality or MPAC. Should there be any concerns, they will be excluded from the tax sale listing and investigated further by the Treasurer.
- 34.4 The finalized listing of qualifying tax sale properties, along with required information is provided to the contracted tax registration and sale firm who will facilitate the tax sale process and complete all of the statutory notices and declarations.
- 34.5 The costs associated with the contracted tax registration and sale firm are billed back to the property.

35. Properties Eligible for Tax Sale Status

- 35.1 In accordance with subsection 373(1) of the *Municipal Act*, where any part of property tax arrears is owing with respect to land in the municipality on January 1 in the third (3rd) year following that in which the real property taxes become owing, the Treasurer may prepare and register a tax arrears certificate against the title to the land.
- 35.2 Supplemental and omitted billings should be considered arrears based on the year billed, and not the year of the assessment and taxation included in the billing.
- 35.3 Many different charges are added to the tax roll for collection purposes. Not all of these charges are collectable through the tax sale process. All charges on the tax

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account should be reviewed to confirm that they have been given priority lien status or are deemed to be taxes and are collectable through the tax sale process. Charges that cannot be collected through the tax sale process should be removed from the tax account and collected through an alternate method or written off as uncollectable.

- 35.4 Properties that are owned by the Crown and eligible to payments in lieu of taxes (PIL) are not subject to the tax sale legislation contained in the *Municipal Act*.

36. Farm Debt Mediation Process

- 36.1 It is legislated that every property listed for tax sale receives a farm debt notice. The legal intent of the farm debt notice is to inform farmers of their right under Section 5 of the *Farm Debt Mediation Act* that they are entitled to make application for a review of their financial affairs. However, this is the first official non-Township communication which notifies the taxpayer that the tax sale registration will take place after a 15 business day period should the arrears not be paid.

37. Property Title Search Prior to Registration of Tax Arrears Certificate


- 37.1 Every property prior to a tax arrears certificate being issued must have a title search to ensure that the proper information is on file including registered owners, interested parties and proper land details. Should any issues be encountered such as ownership and MPAC related data, the process on that property will be put on hold until it has been resolved.
- 37.2 All parties with an interest in the property must receive notice of the registering of a tax arrears certificate.

38. Registration of a Tax Arrears Certificate

- 38.1 The tax arrears certificate is registered on title for each separate property.
- 38.2 The tax certificate will be in the format required by Ontario Regulation 181/03 made under the *Municipal Act*.

39. Tax Sale Costs

- 39.1 The *Municipal Act* authorizes municipalities to recover all costs associated with tax sale proceedings.
- 39.2 Detailed accounting records should be used to track costs associated with tax sales.

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40. Partial Payments Received on Tax Sale Accounts

- 40.1 Partial payments cannot be accepted when a tax certificate has been registered on a property. Subsection 375(1) of the *Municipal Act* requires that only payment in full can be made unless the partial payment is in accordance with an executed Extension Agreement.
- 40.2 Partial payments that are applied to the tax account in error should be removed from the tax account and the payment should be refunded.

41. Cancelling the Tax Sale Process

- 41.1 At any time when the cancellation price is paid during the one-year period from the date of registration of the tax arrears certificate, a cancellation certificate will be issued on the property. This may occur when the municipality receives payment in full of the cancellation price, the extension agreement has been fulfilled and the tax account is no longer in arrears, or the Treasurer deems that the tax sale is not in the best financial interest of the municipality due to neglect, error, omission or it is not desirable to proceed.
- 41.2 The cancellation certificate must contain the required information as specified in Ontario Regulation 181/03 made under the *Municipal Act*.

42. Cancellation Price

- 42.1 The cancellation price represents an amount owing at a specific point in time. This means that the cancellation price changes every time a new charge is added to the tax account.
- 42.2 The cancellation price includes all tax arrears owing plus current taxes, interest and penalty charges, and all reasonable costs incurred by the municipality after the Treasurer becomes entitled to register a tax arrears certificate.
- 42.3 In accordance with subsection 375(1) of the *Municipal Act* any person may pay the cancellation price to the municipality to cancel the tax arrears certificate.
- 42.3 A person who pays the cancellation price may request an itemized breakdown of the cancellation price that has been paid with a written request to the Treasurer within 30 days of the payment.

43. Extension Agreements

- 43.1 In accordance to Section 378(1) of the *Municipal Act*, the Treasurer may, under delegated authority as permitted at any time prior to the end of one-year period

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from the date of registration of the tax arrears certificate, enter into extension agreements on behalf of the Municipality.

- 43.2 To be eligible for consideration, the extension agreement must include that all current taxes will be paid within the required due dates and that the existing arrears on the account will be paid off within a one to two-year period.
- 43.3 Acceptance of this agreement will put the tax sale process on hold for the property. Should there be any breach of the agreement, the tax sale process will resume from the date of the breach.
- 43.4 An Extension Agreement must be requested by the property owner, their spouse, the mortgage holder or their legal agent, prior to the one-year period of the registration of the Tax Arrears Certificate.
- 43.5 If no agreement is reached as to the terms, and or the agreement is denied by Council or the delegated authority, the tax sale process proceeds by returning to the point in the tax sale process immediately prior to the extension agreement being requested.
- 43.6 A Bylaw must be passed by Council or the extension agreement approved by the delegated authority authorizing that an extension agreement may be entered into with the property owner prior to the expiration of the one-year period from the date of registering the Tax Arrears Certificate.
- 43.7 When an extension agreement is entered into, a copy shall be placed in the Municipality property files and the tax sale process is suspended or placed on hold until all the terms of the agreement have been fulfilled.
- 43.8 If there is a breach of the agreement the tax sale process recommences by returning to that step in the tax sale procedure immediately prior to the extension agreement being entered into.
- 43.9 When the terms of the agreement have been fulfilled, the Treasurer shall register a Cancellation Certificate on the land title, thus signifying that the tax sale has been averted, and the tax sale process stops.

44. Final Notices

- 44.1 A final notice advises the interested parties that unless the cancellation price is paid in full or a tax extension agreement is entered into the property will be sold by public sale. The final notice is sent to all interested parties within thirty (30) days after 280 days have passed since the registration of the tax arrears certificate.

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44.2 The final notice must include the information as prescribed under Ontario Regulation 181/03 made under the *Municipal Act*.

44.3 Following the issuance of the final notice, subsection 379(2) of the *Municipal Act* requires that a statutory declaration regarding the sending of the final notice be made. This declaration should be notarized by a Commissioner of Oaths, but does not need to be registered on title.

45. Tax Sale by Public Tender or Public Auction

45.1 After a one-year period from the date of registration of the tax sale certificate, if the cancellation price has not been paid or an extension agreement has not been executed, the property will be part of a public sale. A public sale can occur by either a sale by tender or a sale by auction.

45.2 If the municipality is interested in purchasing the property involved in the tax sale, a report should be prepared for Council recommending the municipality's involvement in the tendering process or public auction.

45.3 A new cancellation price should be calculated for the purpose of including in the advertisements of the public sale. This cancellation price, also referred to as the bid or tender amount, should include the arrears as well as current taxes and projected costs.

45.4 Properties will be advertised a minimum of five times, including:

- An advertisement in the Ontario Gazette at least once during the four-week period; and
- An advertisement in a local newspaper with reasonable circulation within the community appearing at least once a week for four weeks.


45.5 The advertising must contain the information prescribed in Ontario Regulation 181/03 filed under the *Municipal Act*.

45.6 The tax sale advertisement must clearly state the envelope labelling, submission location, and date and time of the submission deadline.

45.7 The *Municipal Act* provides that the property may be sold by sealed tender or public auction. For each tax sale the property, market conditions, and other relevant factors will be considered at the time of the sale when evaluating which sales method to use.

45.7 Tax sales through the tender process:

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- 45.7.1 Tender must be submitted on the prescribed Form 7 which can be found in Ontario Regulation 181/03.
- 45.7.2 A Form 7 can only contain the tender/bid for one parcel of land.
- 45.7.3 Tenders must be submitted in a sealed envelope addressed to the Treasurer and clearly labelled "Tax Sale" and include a property description and/or municipal address, and be submitted prior to the deadline.
- 45.7.4 Tenders must be typewritten or legibly handwritten in ink.
- 45.7.5 Tenders received should be dated and time stamped immediately when received.
- 45.7.6 Tenders/bids should be retained unopened in a safe place as required in subsection 7(1) of Ontario Regulation 181/03 made under the *Municipal Act*.
- 45.7.7 In accordance with subsection 7(2) Ontario Regulation 181/03 made under the *Municipal Act*, in the event that there is a tie, the tender/bid that was submitted the earliest and meets all of the other criteria is determined as being the highest.
- 45.7.8 A tender will be withdrawn if the tender's/bidder's written request to have the tender withdrawn is received by the treasurer before 3:00 p.m. local time on the last day for receiving tenders.
- 45.7.9 The tenders must be opened in the Council Chambers and be open to the public for viewing.
- 45.7.10 The tenders shall close at 3:00 p.m. local time on the last day for receiving tenders in accordance with Ontario Regulation 181/03 made under the *Municipal Act*.
- 45.7.11 Tenders shall be opened with at least two persons in attendance. One person must be the treasurer or designate, and the second person must be a person who did not submit a tender and may be a municipal employee.
- 45.7.12 The Treasurer or designate will open all of the tender documents and examine for completeness of content and will reject every tender that:

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- a) Is not equal to or greater than the cancellation price/minimum tender amount as shown in the advertisement
- b) Is not addressed to the treasurer
- c) Relates to more than one parcel of land.
- d) Has been withdrawn
- e) Is not typewritten or legibly handwritten in ink
- f) Places any condition on the acceptance of the tender
- g) Is not accompanied by a deposit of at least 20 percent of the tender amount, which deposit shall be made by way of money order or by way of bank draft or cheque certified by bank or trust company.
- h) Is not one of the two highest remaining tender.


45.7.13 Once the successful tender has been declared, the tender deposits of the two highest tenders/bids are retained.

45.7.14 The deposit received from the highest bidder should be deposited immediately into the municipality's bank account, but should not be applied to the tax account. The deposit received from the second highest bidder should be stored in a secure location until either the highest tenderer has completed the tax sale or has defaulted. The remaining deposits shall be returned to the respective bidders. If the tender is not returned in person the day of the tender opening, a written explanation is provided as to the reason for the rejection to any person not in attendance as soon as possible.

45.7.15 The Treasurer shall notify the highest tenderer immediately, by regular mail sent to the address provided in the tender, to advise them that their tender was the highest and will be declared the successful bidder.

45.7.16 Payment must be received from the highest bidder within 14 days of the date of the notices of highest bidder being mailed by the Treasurer. Upon receipt, the Treasurer shall issue a receipt and declare the highest bidder to be the successful purchaser. If no payment is received within 14 calendar days of the mail of the notice the deposit is forfeited. A notice is then sent to the second highest bidder and the process repeats.

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45.7.17 Should the highest tenderer/bidder default, their deposit is forfeited and the second highest tenderer is declared the successful bidder. Should the second highest tenderer default, their deposit is forfeited.

45.7.18 Should both the two highest tenderers default, the treasurer shall declare that there is no successful purchaser and may register a notice of vesting in the name of the municipality.

45.8 Tax sale through the auction process:

45.8.1 The auction must be held in the municipality in which the lands are located.

45.8.2 The Treasurer may conduct the tax sale by public auction or may choose anyone else to act as the auctioneer.

45.8.3 The auctioneer or Treasurer shall read out section 15, 16, 17 of Ontario Regulation 181/03 made under the *Municipal Act* as outlined below:


- a) in opening or reopening the bidding on the parcel, state the minimum bid as set out in the advertisement
- b) acknowledge each bidder, repeat each bid made and call for higher bids; and
- c) if no higher bid is made, repeat the last bid three times and if there is still no higher bid, acknowledge the highest bidder.

45.8.4 The highest bidder shall be declared to be the successful purchaser if the bidder immediately pays the amount bid, the applicable land transfer tax and the accumulated taxes, in cash, to the auctioneer.

45.8.5 If the highest bidder fails to make the payment as set out in section 16 of O. Reg. 181/03 and the bidding has not been previously reopened under this Regulation, the auctioneer shall immediately reopen the bidding.

45.8.6 If no bid is made for a parcel of land after the opening of the bidding or if, after the reopening of the bidding under section 17, no bid is made or there is no successful purchaser, the auctioneer shall declare that there is no successful purchaser.

45.8.7 The auctioneer shall issue a receipt to the successful purchaser for the amounts received under section 16 of O. Reg. 181/03 and the

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receipt shall include a legal description of the parcel of land and the name of the purchaser and the name in which the tax deed will be registered.

- 45.8.8 The auctioneer shall declare the auction closed upon completion of the bidding on all the parcels of land offered for sale in the auction.
- 45.8.9 The auctioneer shall prepare and keep a list showing each parcel of land offered for sale in the auction and the name and address of the successful purchaser or, where there is no successful purchaser, that there is no successful purchaser.

46. No Successful Purchaser


- 46.1 Once it has been declared that there was no successful purchaser for the subject lands, either through tender or public auction process, a notice of vesting in the name of the municipality may be registered.
- 46.2 Alternatively, the Treasurer may, within two years after the date of the public sale, offer the land for public sale by public auction or public tender a second time in accordance with the prescribed rules. In order to proceed in this manner, the following requirements must be:
 - a) at least 30 days before the land is re-advertised for public sale, the Treasurer must send to the persons entitled to receive notice under Subsection 379(1) of the *Municipal Act* a notice that the land will be re-advertised for public sale using the prescribed Form 10 as per O. Regulation 181/03 made under the *Municipal Act*.
 - b) The same rules apply to the process in regards to conducting the second public sale as they did for the first public sale.

47. Payment of Surplus Funds into Court

- 47.2 Sale proceeds less the cancellation price, are paid into the Superior Court of Justice together with the Statement of Facts. All of the tax sale costs are added to the Collector’s roll before declaring the surplus funds.

48. Tax Deeds and Notice of Vesting

- 48.1 If there is a successful purchaser, the Municipality will prepare and register a tax deed in the name of the successful purchaser once all legislated requirement have been met.


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- 48.2 The cancellation price may be paid by the former owner any time before title has been transferred, including when there has been a successful purchaser by tender or by auction.
- 48.3 After one year the Court may forfeit the funds to the Municipality upon application. The Treasurer applied to the Superior Court of Justice for payment out of court of the amount that was paid in, subject to certain limitations.
- 48.4 Where there is no successful purchase, a Notice of Vesting may be issued and the Treasurer shall register a declaration to that effect at the local land registry office. Council has two (2) years to decide whether to vest a property. The *Municipal Act* allows for inspection of the property including an environmental assessment.
- 48.5 If the Council decides not to vest, Council may choose to write off the taxes and issue a tax cancellation certificate. Each year the Treasurer may prepare a list of such properties for annual write-off thereafter.
- 48.6 Council may also decide to write-off all or part of the taxes with the purpose of re-registration of the tax arrears and repeating the tax sale process from the beginning.
- 48.7 If Council decides to vest the property, the tax arrears will be written off and the property may be declared surplus assets and advertised for sale.

SECTION F – WRITE-OFFS, REBATES & DEFERRALS

49. Taxation Write-Offs

- 49.1 The Municipality periodically receives applications or notifications of a change in assessment or tax class. Some of the applications or notifications that may be received include:
- a) Applications for Reduction in Assessment – Section 357 & 358 of the *Municipal Act*
 - b) Vacant Commercial and Industrial Unit Rebates –Section 364 of the *Municipal Act*
 - c) Assessment Review Board (ARB) Decision – *Assessment Act*
 - d) Minutes of Settlement (MOS) – Section 40 of the *Assessment Act*
 - e) Request for Reconsideration (RFR) – Section 39.1 of the *Assessment Act*

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- f) Post Roll Assessment Notice (PRAN) – the *Assessment Act*
- g) Advisory Notice of Adjustment (ANA) – the *Assessment Act*
- h) Charity Rebates – Section 361 of the *Municipal Act*
- i) Legion Rebates – Section 6.1 of the *Assessment Act*


50. Applications for Reductions in Property Assessment Value (Section 357 and 358)

50.1 Under Section 357 and 358 of the *Municipal Act*, applications may be made to the Municipality for reduction in assessment for the following reasons:

- a) Building was razed by fire
- b) Building was demolished
- c) Ceases to be liable for the tax rate that the property had been originally taxed
- d) Became exempt from property taxation
- e) Is damaged and substantially unusable
- f) Mobile unit is removed
- g) Experiences a gross or manifest clerical/factual error
- h) Is under repairs/renovations preventing normal use (minimum 3 months)

The *Municipal Act* requires that the following procedure occur:

1. An application must be completed and submitted on the prescribed form which is available from the Township’s website at www.perthsouth.ca or at the Township office located at 3191 Road 122 in St. Pauls.
2. An application must be submitted by the owner of the land at the time the application is made or by another person who has an interest in the land, is a tenant or occupant, or is the spouse of the owner.
3. An Application must be filed with the Treasurer on or before February 28 of the following year in respect of which the application is being made. For example, an application being made to affect the 2020 taxes should be received by the Municipal Officer no later than February 28, 2021.
4. Complete applications reviewed and signed by Treasurer are sent to MPAC for their recommendation of assessment value and/or tax class change.
5. Once a response has been received from MPAC, the dollar value of the tax change is calculated by the Treasurer, using the recommended changes from MPAC.
6. The property owner is notified by mail of the change recommended by MPAC and the dollar value impact of the recommendation. They are also notified of the upcoming Council meeting in which Council will consider their application.

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The Municipality will provide a minimum of fourteen days notice of the meeting and will advise the applicants that they may make representation to Council regarding the recommended tax adjustment.

7. The Treasurer will prepare a report of recommended changes for Council to review. This report will include the following details for each property: roll number, reason for the reduction or exemption, the section of the Act (if applicable), the tax year to which the tax reduction will apply, the amount of reduction in assessment, the amount dollar value of the tax reduction split into local, county and school board tax portions.
8. The Municipality then will hold a public meeting and the Municipal Council will consider all applications received.
9. At the conclusion of the public meeting Council makes a decision with respect to the applications received.
10. After Council's decision to approve an application received, the Municipality shall recalculate the taxes for the affected year(s) within one (1) week of the decision.
11. The applicant is advised, within fourteen (14) days after Council makes the decision, the results of Council's decision on the application.
The applicant then has thirty-five (35) days to appeal to the Assessment Review Board if they do not agree with Council's decision.

51. Vacant Commercial & Industrial Unit Rebates


51.1 The *Municipal Act* allows for Municipalities (upper tier) to set a taxable percentage to be applied to vacant commercial and industrial excess and vacant lands. The County of Perth By-law 3809-2021 has set the taxable percentage at 100% to excess and vacant lands tax rate, and, as a result, there are no rebates currently available.

52. Charity Rebates

52.1 Section 361 of the *Municipal Act* requires municipalities to provide relief from property tax for charities and non-profit organizations.

52.2 The County of Perth By-law No. 2672 has established a Tax Rebate Program for the purposes of providing relief from taxes on Eligible Property Occupied by Eligible Charities and Similar Organizations as per Section 361 of the *Municipal Act*.

52.3 The program is administered by the municipality.

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52.4 Perth County By-law 2672 should be referred to for eligibility criteria and program guidelines.

53. Assessment Review Board Applications

53.1 Property owners may apply to the Assessment Review Board on the prescribed form to appeal their assessment. The deadline for these types of appeals is March 31st of the current year, for the current year's taxation assessment. For example, an appeal of the 2021 assessment must be filed no later than March 31, 2021. Applications, fees, and deadlines are available on the Assessment Review Board web site at www.arb.gov.on.ca

53.2 After receipt of an Assessment Review Board decision the Municipality shall recalculate the taxes for the affected year or years on or before the 10th of the following month. Details of the adjustment will be provided to the property owner once it has been processed.

54. Minutes of Settlement


54.1 Minutes of Settlement (MOS) are issued after a property owner has applied to the Assessment Review Board, and MPAC has negotiated a settlement with the property owner prior to going to the Assessment Review Board hearing. The MOS may be sent to the municipality by the Assessment Review Board or MPAC.

54.2 MOS received that adjust a previous tax year will be processed within four (4) weeks of receipt. If the MOS is for the current year and is received before the final tax billing, it will be processed at the time of final tax billing. MOS received subsequent to the final tax billing will be processed within four (4) weeks of receipt. Details of the adjustment will be provided to the property owner once it has been processed.

55. Request for Reconsideration

55.1 Requests for Reconsideration (RFR) are issued by MPAC after negotiating a settlement with the property owner prior to the property owner making application to the Assessment Review Board. MPAC will issue the Notice of Decision, if the change impacts a prior year, or a RFR if the change impacts the current year, and send the document to the property owner for review and approval. The signed Notice of Decision/RFR is then sent to the Municipality for review. The Municipality may choose to appeal the Notice of Decision/RFR or process it without objection.

55.2 This type of request will be processed within four (4) weeks of receipt. Details of the adjustment will be provided to the property owner once it has been processed.

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56. Post Roll Assessment Notices

- 56.1 Post Roll Assessment Notice (PRAN) are notices that are issued by MPAC to the property owner and the Municipality that a change in assessment has occurred after the return of the assessment roll.
- 56.2 This type of request will be processed within four (4) weeks of receipt of the notice from MPAC, or a Notice of Decision from MPAC if it is for a previous year. If the RFR is for the current year, it will be processed at the time of final billing

57. Advisory Notice of Adjustment

- 57.1 Advisory Notice of Adjustment (ANA) notices are required by the *Assessment Act* to adjust the Current Value Assessment (CVA) starting point and phased-in assessments following a change to a property's assessment, when no other notice is otherwise required to be sent to the property owner. Most often they are sent following an Assessment Review Board (ARB) decision.

58. Low-Income Senior/Low Income Disabled Person Tax Deferral

- 58.1 Section 319 of the *Municipal Act* requires municipalities to provide relief from property tax increases to homeowners who are, or whose spouses are, low income seniors or disabled.
- 58.2 The County of Perth By-law No. 2673 has established a Program for Relief to Certain Elderly and Disabled Persons who are Owners of Real Property in the County of Perth as per Section 319 of the *Municipal Act*.
- 58.3 The program is administered by the municipality.
- 58.4 Perth County By-law 2673 should be referred to for eligibility criteria and program guidelines.


59. Minimum Balance Write-off

- 59.1 A balance owing of less than \$1.99 on an account after payment is received will automatically be written off following the last interim instalment date and at December 31st each year, as it is uneconomical for the Municipality to pursue collection of these amounts.

SECTION G – MISCELLANEOUS

60. Taxation Information

- 60.1 Information may be shared in as follows based on the circumstance:

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- a) Property owners – may have access to assessment and tax information on their property including assessment, taxes levied and arrears.
- b) Lawyers, Real Estate, Appraisers – May have the following information only:
 - a. Assessment
 - b. Lot size
 - c. Legal description
 - d. Annual taxes
- c) Third party inquiries – may have access to the Assessment Roll book only
- d) Mortgage companies – may request in writing the taxes levied and arrears on properties they collect taxes through a landowner’s mortgage. If the mortgage company does not hold an interest in the landowner’s property taxes, tax information will only be given at the property owner’s request.

61. Bankruptcy

- 61.1 When a property owner files for bankruptcy, the Municipality is a secured creditor, as the tax debt is a charge against the real property. The Municipality ranks in preference and priority to any other claims, except those of the Provincial and Federal government.
- 61.2 When the Municipality is advised of a Bankruptcy, a letter will be forwarded to the trustee advising them of the Municipality’s claim and that it is assumed Property Taxes will be paid once the property is sold.

62. Refunds of Credit Balances on Accounts

- 62.1 From time to time property tax accounts may experience credit balances for various reasons, such as:
 - a) Duplicate payment of a tax instalment(s),
 - b) Mortgage company and property owner both pay an instalment,
 - c) A reduction in assessed value,
 - d) A change in a tax class to lesser tax rate class, and/or
 - e) Pre-authorized Payments made in advance of an instalment being due.
- 62.2 Credit balances will be refunded under the following conditions:
 - 1. Duplicate payment of a tax instalment – in accordance with Section 18 of this policy.
 - 2. Mortgage company and property owner both pay an instalment – The property owner must request in writing to have the overpayment refunded, and direct who the overpayment is to be returned to. No overpayment will be refunded unless all instalments billed have been cleared.

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3. Mortgage company overpays an instalment or no longer represents the property owner. Because the Municipality is not aware of the agreement between the financial institution and the property owner, the Municipality will only refund the financial institution overpayment on the written direction of the property owner. Furthermore, no overpayment will be refunded unless all instalments billed have been cleared, unless the property has been sold to another owner.
4. Pre-authorized Payments made in advance of an instalment being due.
5. Prior to refunding any credits from the property tax account, the Municipality will verify that all other debts with the Municipality (utilities and miscellaneous accounts receivables, etc.) have been cleared prior to releasing a credit refund. The Municipality reserves the right to transfer credits on property tax accounts to accounts with other debt.
6. Credits as the result of an assessment reduction or tax class change will be refunded, but only after the last instalment billed has been cleared. For example: a prior year assessment reduction is calculated in February; the interim tax bills are generated the last week of January with the last instalment on the interim billings due on the last business day in February and May. Any credit balance on the account will be applied first to the two instalments and then any remaining credit balance will be refunded to the registered property owner at the time the cheque is issued.
7. Credit balances being refunded will be issued to the property owner at the time the cheque is issued. Property owners selling properties who have outstanding application(s) should ensure that their solicitors are aware of possible tax reductions. The Municipality will not divide credit balances between previous and current owners as the result of a tax reduction. The Municipality does not have knowledge of, nor wish to negotiate legal agreements that may or may not be in place between the seller and the purchaser.

63. 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 in order that consistent fairness is provided to the taxpayer and municipal collection procedures are maintained in principle and is in accordance with all applicable legislation.

64. Review of Policy

The Treasurer shall review this policy for accuracy and effectiveness every five years, or sooner if determined necessary by the Treasurer.