THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE

BY-LAW 23-2025

Being a By-Law to provide for the establishment of a Tax Collection Policy and to repeal By-law 39-2024

WHEREAS pursuant to the Municipal Act, 2001 S.O. 2001, chapter 25 a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS pursuant to the Municipal Act, 2001 S.O. 2001, chapter 25 the powers of a municipality under this or any other Act shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate to enhance the municipality's ability to respond to municipal issues;

AND WHEREAS the Council of the Corporation of the Municipality of Whitestone deems it necessary to establish the responsibilities, internal controls, authorizations and procedures for the accurate and timely preparation and collection of property taxes;

NOW THEREFORE the Council of the Corporation of the Municipality of Whitestone enacts as follows:

1. **THAT** the Tax Collection Policy, in the form attached as Schedule 'A' to this By-Law, is adopted as a policy applicable to the collection of property taxes.

2. **THAT** By-law 39-2024 of July 16, 2024 is hereby repealed.

3. **THAT** By-Law 23-2025 is hereby passed and comes into full force and effect this 17th day of June, 2025.

Mayor George Comrie

CAO/Clerk Nigel Black

Schedule 'A' to By-Law 39-2024

Tax Collection Policy

THE CORPORATION OF THE MUNICIPALITY OF WHITESTONE

CORPORATE POLICY MANUAL

POLICY MANUAL SECTION:	**POLICY NUMBER**:
Finance and Accounting	A06 – F20 - 01
POLICY NAME:	
Property Tax Collection Policy	

DATE APPROVED:	**AUTHORITY:**
June 3, 2019	By-law No.: 38-2019 – Repealed By-law No.: 39-2024 By-law No.: 23-2025
REVISION DATES:	**DEPARTMENT RESPONSIBLE:**
July 18, 2021 (Resolution 2021-017) July 16, 2024 (Resolution 2024-281) June 17, 2025 (Resolution 2025-206)	Finance

PURPOSE:

The purpose of this policy is to establish the responsibilities, internal controls, authorizations and procedures for the accurate and timely preparation and collection of property taxes.

SCOPE:

This policy addresses invoicing, collection and reconciliation of all monies owed to this Municipality in respect of taxation.

PROPERTY TAX COLLECTION POLICY

1. GENERAL

Section 286 of the Municipal Act, 2001, states that;
"*A municipality shall appoint a treasurer 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, including:*

a) *Collecting money payable to the municipality and issuing receipts for those payments;*
b) *Depositing all money received on behalf of the municipality in a financial institution designated by the municipality;*
c) *Paying all debts of the municipality and other expenditures authorized by the municipality;*
d) *Maintaining accurate records and accounts of the financial affairs of the municipality;*
e) *Providing the council with such information with respect to the financial affairs of the municipality as it requires or requests;*
f) *Ensuring investments of the municipality are made in compliance with the regulations made under Section 418, if applicable; and*
g) *Complying with any requirements applicable to the treasurer under section 418.1."*

This policy provides direction to staff regarding the timely and efficient billing and collection of property tax levies.

2. PROCESS

The Municipality of Whitestone will follow a prescribed policy for the billing and collection of property tax levies. This policy will conform to current legislation and the *Municipal Act*, 2001. Where this policy contradicts legislation of the Province of Ontario or the Government of Canada, the legislation shall be followed.

This policy will provide an open, transparent and consistent framework for the billing and collection process. Municipal staff and Council shall reference this document when communicating with public regarding property taxes.

As tax billing and collection is the primary source of revenue for the Municipality of Whitestone, this policy will help to:

a) Streamline activities and eliminate questions as to the appropriate steps required for collection;
b) Set out consistent guidelines to be followed with regard to collection of property tax payments to the Municipality;
c) Establish a written policy outlining the procedures to be followed by staff.

Ensure all activities conform to the current legislation. Real property tax is levied on the assessment for real property within the Municipality of Whitestone in accordance with Section 307(1) of the Municipal Act, 2001.

3. ISSUANCE OF PROPERTY TAX BILLS

The following guidelines apply to the issuance of property tax bills:

a) Taxes are deemed to be levied and become due on January 1 of the taxation year to which they apply, except where otherwise required by law.
b) Interim Tax Bills will be issued in February as specified in the annual by-law passed to establish the interim levy.
c) The amount billed will be no more than fifty percent (50%) of the previous year's total taxes and may include up to fifty percent (50%) of any Local Improvement charge or other special charge as required under provincial legislation.
d) Amounts deemed to be taxes, or items with priority lien status will be included on the interim bill at one hundred percent (100%). These items may include, but are not limited to, outstanding invoices for other services, i.e., planning fees, landfill fees, etc.
e) Final Tax Bills will be issued in July as specified in the annual by-law passed to establish the final tax rates.
f) Taxes due may be paid in four installments without interest or penalties as follows:
    - 50% of interim bill on the last day of March.
    - 50% of interim bill on the last day of May.
    - 50% of final bill on the last day of August.
    - 50% of final bill on the last day of October.
g) Pre Authorized Payments plans are offered for the above four (4) payment options or monthly, whereas the final day of every month is the due date.
h) Where an installment date identified above falls on a statutory holiday, the installment date shall be the following business day.
i) The amount billed will be calculated based on the assessment value on the returned assessment roll and the final levy as approved by Council through the annual budget and the associated by-law passed in accordance with Section 312(2) of the Municipal Act, 2001.
j) Tax bills will contain all required information as set out in Section 343(2) of the Municipal Act, 2001 and any other information deemed necessary by the Treasurer.

4. MAILING

Where allowed by legislation, and where available, provision of tax bills, arrears notices, and other related correspondence may be provided electronically.

The Municipal Act, 2001 Section 343(1) requires tax billings to be post marked and mailed no less than twenty-one (21) calendar days prior to the due date.

5. SUPPLEMENTRY TAX BILLINGS

Omissions – Section 33 of the Assessment Act allows for the taxation of real property that has been omitted from the roll. This provision allows for taxation in the current year, plus an additional two preceding years. These will be taxed at the appropriate rate for the effective years.

Additions – Section 34 of the *Assessment Act* allows for the taxation of assessment that has increased in value or has been added to the return of the last revised roll. These taxes apply only to the current taxation year.

Supplementary tax bills will be generated as soon as possible after each Supplementary Roll is received from MPAC, however will not be before August. The bills will be processed and mailed in the same manner as the interim and final tax bills. The due date shall be set no earlier than twenty-one (21) calendar days after the date.

6. APPLICATION OF PAYMENTS

Section 347(1) of the *Municipal Act*, 2001 outlines how payments are applied to outstanding balances:

a) The payment shall first be applied against late payment charges 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 (i.e., longest outstanding interest or late payment charges first).
b) After all outstanding late payment charges, the payment shall be applied against taxes owing according to the length of time they have been owing, with taxes imposed earlier being discharged before taxes imposed later.
c) Part payment will not be accepted on a tax account where a tax arrears certificate has been registered against the property unless an extension agreement has been granted by Council.

Section 341 of the *Municipal Act*, 2001 provides that a municipality may apply refunds from appeals to the current tax liability. The Municipality will apply any refund resulting from an appeal, request for reconsideration, or other legislative reduction first to the taxpayers account. A taxpayer may request a refund of a credit balance in writing after the final tax bills have been issued.

7. ACCEPTED PAYMENT METHODS

Payments are payable to the Corporation of the Municipality of Whitestone, 21 Church Street, Dunchurch, ON, P0A 1G0.

The following payment methods are accepted for property taxes:

a) Cash payments may be received in person (Monday to Friday between 8:30 am and 4:30 pm) at the reception desk of the Municipal Office;

b) Telephone or internet banking;
c) Debit or credit cards through Plastiq on the Municipal Website (www.whitestone.ca);
d) Interac e-Transfer emailed to treasurer@whitestone.ca
e) Cheques may be delivered in person (Monday to Friday between 8:30 am and 4:30 pm), dropped in the after-hours mailbox at the front of the Municipal Building, or mailed. The date of the payment must be no later than the installment date in order to avoid interest and penalties. Postdated cheques will be accepted and held until the negotiable date;
f) Payments may be made at most Canadian Financial Institutions; and
g) Payments made by mortgage company or financial institution on behalf of a taxpayer.
h) Electronic payments in the form of Pre Authorized payment plans are offered under the installment plan, four payments due in the taxation year or the monthly plan, twelve payments due in the taxation year.

Payment tendered in US funds will be accepted based on the exchange rate established by the Municipality's bank on the day of the deposit.

Third party cheques will not be accepted.

8. OUTSTANDING TAXES GENERAL PROCEDURES

Review of all past due accounts will be done on a quarterly basis. An updated Arrears Report to council will be generated one (1) time per year.

Arrears notices, with a balance over $5.00 are mailed in the month of June and in the month of November.

Form or personalized letters are sent out in the month of December to all property owners with outstanding balances approaching two-years-old in January of the following year. The letter will request payment or response by a specific date.

Staff will encourage property owners in tax arrears to establish a monthly payment plan to repay outstanding balances in a timely manner.

Payment plans shall be designed to ensure that arrears in second year are repaid within six months.

9. COLLECTION METHODS

There are two basic remedies used by the Municipality to enforce payment of property taxes owing:

a) Penalty / Interest – Interest shall be assessed at the rate of 1.25% per month, or the highest rate allowed under the Municipal Act, 2001 and will be added to all outstanding accounts on the first day of the month following the due date. Penalty and interest will not be

compounded in accordance with By-law 05-2019 (Being a By-Law to impose late payment charges for the non- payment of taxes or any installment by the due date).

b) Tax Registration / Tax Sale – Tax registration and sale falls under Part XI of the *Municipal Act*, 2001 and applies to properties that have arrears aged two years or more. The property owner or interested party has one year from the date of registration in which to redeem the property for all taxes, interest and penalty outstanding plus associated legal and administrative costs. The Municipality shall use a legal firm or tax registration firm to process all required statutory notices. The use of tax registration and tax sale is a last resort and will be avoided where possible through the establishment of a repayment plan.

Any notice sent by registered mail is 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 taxpayer's responsibility to notify the Municipality of Whitestone of any mailing address changes. Section 343(6) of the *Municipal Act*, 2001 identifies that tax bills shall be sent to the taxpayer's residence or place of business or to the premises for which the taxes payable for, unless the taxpayer directs otherwise. The direction by the taxpayer continues until it is revoked in writing by the taxpayer.

For tax accounts approaching two years in arrears in January of the following year, a collection letter will be sent in December to the property owner(s) advising of the tax arrears situation and requesting, as a minimum, full payment or satisfactory payment arrangements of the amounts subject to tax registration.

If there is no response to the collection letter, a final notice will be mailed on the first week of January indicating that no partial payments will be received and that the property legislatively qualifies for the Tax Registration process and the Municipality has initiated these proceedings.

Where a taxpayer has a balance in second year arrears and breaches a payment plan, the Treasurer shall immediately inform the taxpayer that no further partial payment will be received and forward the file for tax registration.

The Treasurer has the authority to exercise discretion in the application of these policies where unusual circumstances are apparent. The guiding principles for this discretion shall be ensuring legislative requirements are met, ensuring fairness to all taxpayers and the overall best interest of the Corporation are met.

Late payment charges are adjusted only in the following circumstances;

a) Taxes are adjusted under Sections 354, 357, 358 of the *Municipal Act*, 2001;
b) Taxes are adjusted following as Assessment Review Board decision;
c) Taxes are adjusted in accordance with a decision of the Courts;
d) The interest or penalty was charged as a result of error or omission; or
e) Circumstances deemed appropriate by the Treasurer.

10. MINIMUM BALANCE WRITE-OFF

In some circumstances, there remains a balance owing on a taxpayers account after a payment is received, which is often a result of interest being added to the account. When the balance of an account is small enough that the additional cost of collection would not be deemed worthwhile, it may be expedient to write off the amount. Finance Staff is authorized to write off amounts of $25.00 and under on each account.

This policy shall be reviewed at least every four years, or as legislation changes.