

	<b>Policy:</b>	Tax Billing and Collection Policy
	<b>No.:</b>	FIN-11
	<b>Effective Date:</b>	9 September 2025
	<b>By-Law No.:</b>	2025-1990
	<b>Review Date:</b>	(4 years from effective date)

## 1.0 POLICY STATEMENT

This policy establishes consistent, effective and appropriate tax billing and collection parameters to ensure that:

- The annual budgetary and cash flow needs of the Township are met.
- All legislative directives per O. Reg. 181/03 and the Municipal Act, 2001, as amended, regarding tax billing and collection are followed (Parts VIII, IX, X and XI).
- Prompt, efficient, courteous and consistent service is provided to all taxpayers.

## 2.0 SCOPE

This policy provides guidance to Staff to support decision making related to tax billing and collection and applies equally to all taxpayers in the Township of Lanark Highlands. The guidelines included in this policy serve to supplement Provincial legislation especially in situations where the legislation offers choice or allows for Treasurer discretion. Guidelines are also provided for issues on which the legislation is silent.

## 3.0 DEFINITIONS

In this policy:

**Act** shall mean the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended.

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

**Council** shall mean the duly elected members of the Council of the Township.

**County** shall mean the Corporation of the County of Lanark.

**MPAC** shall mean the Municipal Property Assessment Corporation.

**Property Tax Roll** shall mean the nineteen (19) digit roll number assigned by MPAC.

**School Board** shall mean a board as defined in subsection 1 (1) of the *Education Act*.

**Supplementary and Omitted** shall mean an increase in the assessed value of a property since the return of the last roll. Supplementary is for the current year per Section 34 of the *Assessment Act*. Omitted is for the current year and the two (2) preceding years per Section 33 of the *Assessment Act*.

**Taxpayer** shall mean a person (s) or organization (s) whose name is shown on the property tax roll.

**Tax Arrears** shall mean any portion of property taxes that remain unpaid after the due date on which the taxes are due and includes penalties, interest or any other charges or levies added to the property tax roll.

**Tax Rate** shall mean the tax rate to be levied against a property expressed as a percentage to six decimal places of the assessment of the property.

**Tax Registration** shall mean the registration of a tax arrears certificate on title of the property for taxes that remain unpaid for two (2) calendar years.

**Tax Sale** shall mean the sale of a tax registered property if taxes remain unpaid after one year (365 days) following the tax registration date as authorized in O. Reg 181/03 and Part XI of the Act.

**Township** shall mean The Corporation of the Township of Lanark Highlands.

**Treasurer** shall mean the Treasurer of the Township.

#### **4.0 ROLES AND RESPONSIBILITIES**

- 4.1 The Treasurer shall be responsible for ensuring compliance with this policy.
- 4.2 Council shall approve annual interim and final tax billing by-laws which shall include the appropriate tax rates and due dates. Council shall also approve any other by-laws authorizing additional charges or levies to be added to the annual final tax billing.

#### **5.0 SPECIFIC DIRECTIVES**

##### Tax Billing

- 5.1 Levying by-laws shall be approved in advance of interim and final tax billings.
- 5.2 Interim tax billings shall be levied at 50% of the annual tax billing for the previous calendar year.
- 5.3 Final tax billings shall be issued following the finalization of the annual budget and shall be levied based on the requirements included in the annual budget. The tax rates levied on the final tax billing shall include those required for Municipal, School Board and County purposes, and any other special charges, special levies or local improvements.
- 5.4 Supplementary and Omitted tax billings shall be completed as soon as possible after receipt from MPAC and are generally completed between July and December.

- 5.5 All mailed tax billings shall be postmarked and sent at least twenty-one (21) calendar days in advance of the first instalment due date and sent to the last known address on the property tax roll.
- 5.6 All electronic tax billings shall be sent at least twenty-one (21) calendar days in advance of the first instalment due date and emailed to the last known email address provided to the Township.
- 5.7 Arrears shall be included solely in the first instalment due date amount. Instalment due dates are noted on the payment stubs.
- 5.8 Billing messages may be used on the face of or reverse side of the tax bill.
- 5.9 The minimum tax bill shall be \$5.00 as allowed under Section 355 (1) of the Act. The purpose is to ensure the issuance of tax bills is cost effective for the Township.

#### Due Dates

- 5.10 Dues dates shall be established as the second last business day of the month to allow for one (1) grace day (the last business day of the month) before penalties for late payment are applied on the 1<sup>st</sup> day of the following month.
- 5.11 Interim tax bills are due in two instalments-February and April.
- 5.12 Final tax bills are due in two instalments-August and October.
- 5.13 Supplementary and Omitted tax billings shall have one instalment due date.
- 5.14 Due dates shall be established in the annual interim and final tax rate by-laws. Due dates may fluctuate as a result of delays in the passing of the annual budget or other extraordinary circumstances.

#### Payment Options

- 5.15 Acceptable payment methods are cheque, cash, money orders, bank drafts, pre-authorized payment plans, online and telephone banking.
- 5.16 Post-dated cheques are accepted and will be held by the Treasurer.
- 5.17 Over the counter payments are accepted at most financial institutions.
- 5.18 Payments sent by mail must be received by the Township on or before the last business day of the month that the payment is due, otherwise penalties will be applied on the first day of the following month.
- 5.19 Third party cheques shall not be accepted. Cheques shall not be written in excess of the amount due with the expectation that change will be given on the difference.
- 5.20 Taxpayers may request and will receive the return of overpayments or credits on their tax accounts provided that the original form of payment has cleared their financial institution

usually within fourteen (14) business days.

- 5.21 Taxpayers may request and receive refunds of credits on their account, including but not limited to, tax adjustments made under Sections 345, 357 or 358 of the Act.
- 5.22 Taxes shall be payable in Canadian dollars.
- 5.23 Any and all returned payments for insufficient funds shall be charged a fee per the Consolidated Fees and Charges By-law.

#### Penalty and Interest

- 5.24 The penalty and interest timing of application, as well as rates incurred, shall be included in the interim and final tax rate by-laws and cannot be greater than the maximum provisions outlined in Section 345 of the Act. The purpose of penalties and interest is to encourage prompt payment of all tax instalments when due.

## **6.0 PROCEDURES**

#### General Tax Collection

- 6.1 Reminder notices shall be mailed to all taxpayers in arrears to the last known address on the property tax roll after the second installment due date for both the interim and final tax billings.
- 6.2 Any tax bill or reminder notice sent by ordinary mail or email shall be considered delivered to and received by the addressee. Failure to notify the tax office of an address/email change or redirection is not an error on the part of the Township.

#### Tax Registration/Tax Sale

- 6.3 Property taxes in arrears for two (2) calendar years are eligible for tax registration. Township procedure shall be to follow the tax registration and tax sale process as outlined in O. Reg. 181/03 and Part XI of the Act.
- 6.4 The Township will make every effort to work with taxpayers to avoid the tax registration process by sending letters via ordinary mail to the last known address on the roll in November to give notice in advance of the year end of their potential tax registration eligibility if payment arrangements are not made by the end of the year. Information on the tax registration process as well as Staff contact information will also be provided.
- 6.5 If payment arrangements are not made, a second letter will be sent by regular mail to those taxpayers eligible for tax registration in March of the following year, to the last known address on the property tax roll. The letter shall also include the amounts to be paid, deadlines for making payment or establishing payment plans and Township staff contact information including address, phone and email.
- 6.6 Any notice sent by ordinary mail shall be considered delivered to and received by the addressee. Failure to notify the tax office of an address change or redirection is not an

error on the part of the Township.

- 6.7 Satisfactory payment plans can include a series of post-dated cheques or commitments to make payments on specified dates. Township staff shall monitor the payment arrangements to ensure compliance. In advance of establishing a payment plan, the taxpayer shall be advised that failure to make the payments as agreed will result in proceeding with tax registration.
- 6.8 Failure to contact the Township on or before the specified deadlines shall result in tax registration. No further follow-up action will be taken by the Township with the taxpayer.
- 6.9 Prior to tax registration, the Treasurer shall consult with other Senior Staff to determine if there are any reasons why tax registration should not occur such as, but not limited to, environmental issues or legal issues.
- 6.10 The Township shall use the services of a third-party agency to complete the tax registration process and potential tax sales ensuring the appropriate procedures and legislated deadlines are enforced.
- 6.11 Any costs associated with tax registration and tax sale are the responsibility of the taxpayer and shall be added to the tax roll and collected in the same manner as taxes.
- 6.12 The Treasurer has the discretion to cancel the tax registration or tax sale process if it is in the best interest of the Township to do so.
- 6.13 The Township shall maintain a separate file for each tax registered property, and in it include all documentation and correspondence related to the tax registration/tax sale process.

#### Interest and Penalty Adjustments

- 6.14 Interest and penalties for late payment shall be adjusted in the following circumstances:
  - a) Taxes are adjusted under Sections 354, 357, 358 or 359 of the Act.
  - b) Taxes are adjusted following an Assessment Review Board decision.
  - c) Taxes are adjusted following a decision of the Courts.
  - d) Taxes are adjusted under Minutes of Settlement or notification of any assessment adjustment from MPAC.
  - e) Interest and/or penalties were applied in error/omission by the Township. It shall be at the discretion of the Treasurer to decide whether or not the interest and/or penalties should be adjusted in such cases.
  - f) As decided by the Treasurer under delegated authority in extraordinary circumstances.

#### Minimum Balance Write Off

- 6.15 In some circumstances and for a variety of reasons, there may remain a small balance owing to a tax account. If the Treasurer deems that the cost of collection is far greater than the balance owing, the Treasurer shall be authorized to write off a balance up to the limits established in the Delegated Authority By-law.

## 7.0 REFERENCE DOCUMENTS

[Municipal Act, 2001, S.O. 2001, c. 25](#)

[O. Reg. 181/03: Municipal Tax Sales Rules](#)

[Assessment Act, R.S.O. 1990, c. A.31](#)

[Education Act, R.S.O. 1990, c. E.2](#)