



TOWNSHIP OF MACDONALD, MEREDITH & ABERDEEN ADDITIONAL
TAX COLLECTION POLICY

Policy Number:	2025-1
Policy Title:	Tax Collection Policy
Approval Date:	June 17, 2025
Council Resolution #:	#25-156

PURPOSE:

The purpose of this policy is to establish consistent, fair, and transparent procedures for the billing, collection, and recovery of property taxes in accordance with the *Municipal Act, 2001*. It aims to support the municipality's financial stability while ensuring ratepayers are treated equitably and in compliance with legislative requirements.

1. DEFINITIONS:

Arrears – Any portion of property taxes that remain unpaid after the due date.

Due Date – The date by which taxes must be paid to avoid penalty or interest.

Municipality – Refers to the Corporation of the Township of Macdonald, Meredith & Aberdeen Additional

Penalty and Interest – Charges applied to unpaid taxes in accordance with Section 345 of the *Municipal Act, 2001*.

Property Taxes – Includes all taxes levied on real property under the authority of the *Municipal Act, 2001*, including any local improvement charges or special area rates.

Tax Collector – The person authorized by the municipality to collect property taxes and carry out enforcement procedures under the *Municipal Act, 2001*.

Tax Roll – The official record of property assessments and taxes levied, maintained by the municipality.

Taxpayer – Any individual, corporation, or entity liable for property taxes within the municipality.

Treasurer – The person appointed by Council as Treasurer or their designate.

2. LEGISLATIVE AUTHORITY:

This policy is established under the authority of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended. Tax billing and collection processes are governed primarily by Part X Tax Collection (Sections 342 to 386), which outlines the powers and duties of municipalities with respect to:

- Billing and due dates (Section 342)
- Payment options (Section 342(2)–(3))
- Penalties and interest on unpaid taxes (Section 345)
- Recovery of taxes (Sections 347–351)
- Tax registration and sale of land for tax arrears (Sections 373–386)

Additional applicable legislation includes:

- *Assessment Act* – Governs property assessment and classification
- *Education Act* – Governs education tax rates and remittance
- *Municipal Tax Sales Rules* (O. Reg. 181/03) – Prescribes procedures for tax sale enforcement

3. STANDARD TAX BILLING:

The municipality issues interim tax bills in February of each year. The amounts billed are calculated in accordance with Section 317 of the *Municipal Act, 2001*, and shall not exceed 50% of the total taxes levied on the property for the previous year.

Due dates for interim tax bills shall be established in the annual by-law passed by Council to provide for the interim levy. The preferred due dates are March 15 and May 15, subject to adjustment to the nearest following business day if the 15th falls on a weekend or statutory holiday.

Final tax bills are issued in July of each year and are calculated based on the assessed value of the property as returned on the assessment roll and the final tax levy approved by Council through the annual budget process, in accordance with Section 343 of the *Municipal Act, 2001*.

Final bills shall be payable in two equal installments, with due dates set by by-law annually. The preferred due dates are August 15 and October 15, subject to adjustment to the next business day if the due date falls on a weekend or statutory holiday.

All property tax bills shall be prepared and issued in accordance with Section 343 of the *Municipal Act, 2001*. In particular, Section 343(2) requires that each bill set out the taxes payable, the due dates, and any prescribed information, and Section 343(6) requires that tax bills be mailed or delivered at least 21 days prior to the first installment due date.

All due dates will be clearly identified on the tax bill. Bills shall be mailed to the address on file or delivered electronically (if applicable).

It is the taxpayer's responsibility to notify the municipality of any change in mailing address. Failure to receive a tax bill does not excuse a taxpayer from the responsibility for payment or from incurring penalty and interest charges.

4. SUPPLEMENTARY AND OMITTED BILLING:

Under Section 32 and Section 33 of the *Assessment Act*, municipalities may issue additional tax bills for properties that were not previously assessed, or for which the assessed value has increased due to changes such as new construction or improvements.

- A supplementary assessment (Section 32) applies when a property already on the assessment roll has had additions or improvements that increase its value.
- An omitted assessment (Section 33) applies when a property or portion of a property was not assessed at all in a previous year and should have been.

Supplementary and omitted tax bills are issued in accordance with Sections 32 and 33 of the *Assessment Act* and Section 341 of the *Municipal Act, 2001*. These bills reflect changes to property assessment resulting from new construction, additions, renovations, or corrections to assessment data.

The municipality will issue supplementary and omitted tax bills as soon as possible after the final installment due date for the annual final tax bills, typically by the first week of November.

- For credit amounts, the due date shall be the date the bill is issued.
- For taxes owing, the due date shall be no less than 30 days from the date the bill is issued.

Due dates will be clearly stated on each bill. All other provisions related to penalties, interest, and payment responsibility apply.

5. APPLICATION OF PAYMENTS:

All tax payments shall be applied in accordance with Section 347 of the *Municipal Act, 2001*. Payments are applied to the oldest outstanding amounts first, including penalty and interest, before being applied to current taxes owing.

5.1 Partial Payments:

If a payment is received that is less than the full amount due, it will be applied to the oldest outstanding charges in the following order:

1. Penalty and interest
2. Taxes in arrears
3. Current taxes

Partial payments shall not be accepted on a tax account where a Tax Arrears Certificate has been registered against the property under Section 373 of the *Municipal Act, 2001*. In such cases, only full payment of the cancellation price, as defined in the Act, will be accepted.

5.2 Non-Sufficient Funds (NSF):

Payments returned due to non-sufficient funds or any other banking error will result in the reversal of the payment and the application of a \$30.00 NSF fee, in accordance with the municipality's Fees and Charges By-law. Interest and penalty will continue to accrue on any unpaid balances.

5.3 Overpayments and Refunds:

It is the policy of the Municipality not to issue refunds for overpayments or account adjustments unless requested in writing. All overpayments and credits resulting from adjustments will be applied to the tax account and carried forward to future installments.

Refunds may be issued only under extenuating circumstances, at the discretion of the Treasurer and/or Tax Collector, and only upon written request from the ratepayer. Refunds will be issued solely to the person or entity that made the original payment.

6. ACCEPTED PAYMENT METHODS:

The Municipality accepts the following methods of payment for property taxes:

- Cash (in person only)
- Cheque (including post-dated cheques payable to the Municipality)
- Interac (debit) (in person only)
- Online bill payments through participating financial institutions

The following forms of payment are NOT accepted:

- Third-party cheques
- Credit cards

All payments are to be made in Canadian (CAD) currency only. It is the taxpayer's responsibility to ensure that payments are made on or before the due date. The Municipality is not responsible for delays caused by financial institutions or incorrect payment information.

7. PAYMENT TIMING AND ALLOCATION:

Payment of taxes must be received at the Municipal Office on or before the due date and must be clearly marked for application to the correct property roll number.

Payments made by mail, courier, or electronic methods (e.g., online banking) are subject to delivery timelines and processing delays beyond the Municipality's control. As such, taxpayers are strongly advised to allow sufficient time for payment to be received and processed in advance of the due date.

Payments are deemed to be received on the date they are received by the Municipality during regular business hours, not the date they are sent, initiated, or postmarked.

In person payments to be made at the Municipal Office located at 208 Church Street, Echo Bay, ON. P0S 1C0, during regular business hours.

Receipts will only be issued upon request.

8. PAYMENTS MADE TO THE WRONG ACCOUNT:

It is the taxpayer's responsibility to ensure that all payments are correctly directed to the appropriate property roll number. If a payment is applied to the wrong account due to incorrect information provided by the taxpayer, the Municipality will make reasonable efforts to transfer the payment to the correct account upon request.

However, the Municipality is not responsible for any penalties, interest, or delays that result from payments applied incorrectly due to taxpayer error. Requests for account corrections must be submitted in writing and may require supporting documentation.

9. PERSONALIZED COLLECTION LETTERS:

The Tax Collector may issue personalized collection letters to property owners whose accounts are in arrears by one full taxation year. These letters may be sent at the discretion of the Tax Collector and will request either full payment or the establishment of a formal payment plan by a specified deadline.

If no satisfactory response is received within the designated time frame, a second follow-up letter may be issued, if deemed necessary.

Where arrears remain unpaid and no payment arrangement is in place, the Municipality may initiate tax sale registration in accordance with Section 373(1) of the *Municipal Act, 2001*. A property becomes eligible for tax sale registration if taxes remain unpaid as of January 1st in the second year following the year in which the taxes were originally due.

For example, taxes from 2023 that remain unpaid as of January 1, 2025 are eligible for registration of a Tax Arrears Certificate.

The issuance of personalized letters prior to tax sale registration is a courtesy extended by the Municipality and is NOT a legislated requirement for initiating the tax sale process.

10. TAX COLLECTION REMEDIES:

The Municipality may use any combination of tax collection remedies authorized under the *Municipal Act, 2001*, to recover unpaid property taxes. These tools may be applied at the discretion of the Treasurer or Tax Collector, depending on the nature, amount, and duration of the arrears.

10.1 Available remedies include:

- **Penalty and Interest (Section 345)** – A penalty and interest charge of 1.25% per month (compounded monthly) is applied to all overdue amounts. This represents the maximum rate permitted under the *Municipal Act, 2001*.

- **Rent Attornment (*Section 349 & 350*)** – Where applicable, the Municipality may require tenants of a property in arrears to pay rent directly to the Municipality until taxes are paid in full. This remedy will be carefully considered prior to being imposed, as it may cause undue hardship to the property owner or disrupt tenancies. Use of this option will be at the discretion of the Treasurer or Tax Collector.
- **Bailiff Action (*Section 351*)** – Where appropriate, the Municipality may pursue civil enforcement measures to recover unpaid taxes as a debt due to the Municipality. This may include retaining a licensed bailiff to recover taxes through the seizure and sale of personal property, where legally permissible.
 - Bailiff action is used only in specific circumstances, such as for leasehold interests, movable property, or where traditional enforcement methods are ineffective. The decision to use this remedy will be made at the discretion of the Treasurer or Tax Collector, and may require legal consultation.
- **Tax Arrears Certificate Registration (*Section 373*)** – If property taxes remain unpaid as of January 1 in the second year following the year in which they became due, the Municipality may initiate the tax sale process under Part XI.
 - Example: Taxes levied in 2023 become due during that year (e.g., March, May, August, October installments). If **any** portion of those 2023 taxes remain unpaid, they become eligible for registration on January 1, 2025.

11. COLLECTION PROCESS:

The Municipality follows a consistent and fair approach to tax collection in accordance with Part X and Part XI of the *Municipal Act, 2001*. The process is designed to encourage timely payment while maintaining flexibility to accommodate exceptional circumstances.

11.1 Priority for Collection

Priority is given to accounts with arrears extending into a second taxation year, particularly those that are two or more years in arrears and approaching eligibility for tax registration.

11.2 Delivery of Notices

Taxpayers receive multiple forms of notice throughout the year, including regular tax bills and arrears notices. Any notice sent by ordinary mail is considered received five days after mailing, unless returned by the post office or sent to an incorrect address.

It is the taxpayer's responsibility to notify the Municipality of any change in mailing address, as required by Subsection 343(6) of the *Municipal Act, 2001*.

11.3 Collection Letters

At the discretion of the Tax Collector, a personalized collection letter may be issued to property owners with significant or prolonged arrears. These letters are intended as a courtesy to encourage voluntary compliance or the establishment of a payment arrangement.

- A second follow-up letter may be sent if deemed necessary but is not required.
- The decision to send one or more letters lies solely with the Tax Collector and is not a condition for tax sale registration.
- The issuance of such letters does not limit the Municipality's right to proceed with tax registration under Section 373 of the *Municipal Act, 2001*.

11.4 Tax Registration

Properties with taxes owing for two years become eligible for tax sale registration.

The Municipality is not legally required to issue a final notice before registration. Any such notice, if sent, is a courtesy and not a statutory requirement.

12. TAX PAYMENT ARRANGEMENTS (TPA'S):

To assist property owners in resolving outstanding tax balances, the Municipality may, at the discretion of the Tax Collector, enter into a Tax Payment Arrangement (TPA) with the registered owner(s) of the property.

12.1 Eligibility and Approval

- TPAs are intended for ratepayers who demonstrate a willingness to resolve their arrears but are temporarily unable to make full payment.
- All TPAs must be made in writing and approved by the Tax Collector.
- The Municipality reserves the right to request reasonable financial information before approving any TPA.
- Approval of a TPA is not automatic and is granted on a case-by-case basis, considering the overall arrears situation and history of the account.

12.2 Terms and Monitoring

- The taxpayer must commit to a regular monthly payment schedule sufficient to eliminate the arrears within a reasonable period (typically within 12–24 months).
- Penalty and interest will continue to accrue on all outstanding amounts during the term of the TPA, in accordance with Section 345 of the *Municipal Act, 2001*.
- The Tax Collector will monitor compliance and may follow up as needed.

12.3 Breach and Consequences

- If the taxpayer fails to make a scheduled payment, the TPA will be considered null and void.
- In such cases, the Municipality may immediately resume collection activity, including tax registration, without further notice.
- Where a taxpayer has previously defaulted on a TPA, the Tax Collector may refuse to enter into a new agreement unless a minimum 50% good faith payment toward the arrears is made upfront.

12.4 Discretion and Authority

The Tax Collector has full authority to:

- Approve, decline, or amend TPAs;
- Determine reasonable terms;
- Monitor compliance; and
- Terminate TPAs in the best interests of the Municipality.

All TPAs are subject to the Municipality's right to proceed with Tax Arrears Certificate registration under Section 373 of the *Municipal Act, 2001* if arrears are not resolved in a timely manner.

A sample Tax Payment Arrangement (TPA) Agreement form is provided as Appendix A to this policy.

13. CANCELLATION AND WRITE-OFFS:

13.1 Cancellation of Penalty and Interest

Penalty and interest charges are generally not waived once applied. However, cancellations may occur only in the following circumstances:

- Taxes are adjusted in accordance with the *Municipal Act, 2001*, including:
 - Section 354 – Write-off of taxes deemed uncollectible

- Section 357 – Cancellation, reduction, or refund due to changes such as demolition, fire, or assessment error
- Section 358 – Overcharges due to assessment errors in one or both of the two previous taxation years
- The tax account is adjusted as a result of a change to assessment under the *Assessment Act*
- Penalty and/or interest were applied in error due to a municipal clerical or administrative mistake, such as:
 - Incorrect due date or mailing address
 - Failure to process an eligible adjustment in a timely manner
 - Misapplication of a payment

In all cases, the cancellation of penalty and interest shall be limited to the amount directly related to the tax adjustment or municipal error.

13.2 Tax Write-offs

Under Section 354 of the *Municipal Act, 2001*, taxes that are determined to be uncollectible — such as in cases of bankruptcy, deceased owners with no estate, or other legally supported scenarios — may be written off by resolution of Council.

All cancellation and write-off requests must be reviewed by the Tax Collector, with appropriate supporting documentation. Final approval shall follow the Municipality’s internal processes or be brought to Council where required.

14. REPORTING TO COUNCIL:

The Tax Collector may provide periodic updates to Council on the general status of tax arrears at their discretion or upon request.

These updates will be presented in summary form and will exclude any property-specific or personally identifiable information.

15. LEGISLATIVE UPDATES:

The Tax Collection Policy will be reviewed and updated as needed to reflect any changes to provincial legislation, including amendments to the *Municipal Act, 2001*, the *Assessment Act*, or related regulations (e.g., Tax Sales Rules). The Tax Collector shall monitor legislative developments and recommend revisions to Council in a timely manner following any relevant changes.

16. APPENDIX:

- **Appendix A – Tax Payment Arrangement (TPA) Agreement Template**

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**Corporation of the Township of the Township of Macdonald, Meredith & Aberdeen
Additional**

Appendix A – Tax Payment Arrangement (TPA) Agreement Template

Roll Number: _____
Property Address: _____
Taxpayer Name(s): _____
Mailing Address: _____
Phone Number: _____
Email (optional): _____

Agreement Terms:

1. Outstanding Tax Balance as of _____ : \$ _____
2. Monthly Payment Amount: \$ _____
3. Payment Due Date Each Month (e.g., 1st, 15th): _____
4. First Payment Due On: _____
5. Estimated Completion Date: _____
6. Payment Method (circle one): Cheque / Online Banking / In Person / Other: _____

Conditions of Agreement:

- The taxpayer agrees to make regular monthly payments as outlined above.
- Penalty and interest will continue to accrue on the outstanding balance during the term of this agreement.
- The taxpayer understands that missing a scheduled payment will result in the immediate termination of this agreement without further notice.
- Upon default, the Municipality may proceed with collection enforcement, including Tax Arrears Certificate registration under the Municipal Act, 2001.
- If the taxpayer has previously defaulted on a TPA, a minimum 50% good faith payment may be required before a new agreement is considered.
- This agreement does not prevent the taxpayer from making additional lump sum payments to reduce the balance more quickly.
- It is the taxpayer's responsibility to ensure all payments are made on time and applied to the correct account.

Acknowledgement:

I/We agree to the above terms and understand the consequences of non-compliance.
I/We acknowledge that this arrangement is a courtesy extended by the Municipality and does not limit its rights under applicable legislation.

Taxpayer Signature: _____ Date: _____

Witness Signature: _____ Date: _____

Tax Collector Signature: _____ Date: _____

Termination Confirmation (to be completed by Tax Collector, if applicable):

This Tax Payment Arrangement has been terminated effective _____
due to:

Payment default Voluntary cancellation Balance paid in full

Other (specify): _____

Tax Collector Signature: _____ Date: _____