



The Corporation of Norfolk County

By-Law 2024-23

Being a by-law to authorize the Tax Collection Policy.

Whereas the Municipal Act, 2001, as amended, section 5(3) provides that a municipal power, including a municipality's capacity, rights, powers and privileges under section 9, shall be exercised by by-law unless the municipality is specifically authorized to do otherwise; and

Whereas the Municipal Act, 2001, as amended, section 8(1) provides that 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 and to enhance the municipality's ability to respond to municipal issues; and

Whereas the Municipal Act, 2001, as amended, section 10(1) provides that a single-tier municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

Now therefore the Council of The Corporation of Norfolk County hereby enacts as follows:

1. That Policy GP-005 – Tax Collection Policy, identified as Schedule "A" and attached hereto, forms an integral part of this by-law.
2. That Policy FS-03 Tax Collection Policy hereby be repealed and replaced with Policy GP-005 – Tax Collection Policy with an effective date of July 1, 2024.
3. That the effective date of this by-law shall be the date of passage thereof.

Enacted and passed this 26th day of March, 2024.

Original signed by

Mayor: A. Martin

Original signed by

County Clerk: G. Scharback



Policy GP-005 – Tax Collection Policy

Governance Policy GP-005	Section: Corporate Services
Issue Date: March 26, 2024	Approval Date: March 26, 2024
Review Date:	Initiating Department: Financial Management and Planning

Purpose:

To establish efficient and effective methods for the collection of property taxes utilizing various procedures legislated by the *Municipal Act, 2001*, County By- Laws and policies.

Scope:

Legal Authority

- The *Municipal Act, 2001* Part VIII – Municipal Taxation, Part IX Limitation on Taxes for Certain Property Classes, Part X Tax Collection and Part XI – Sale of Land for Tax Arrears and associated Regulations provide the legislative authority for this Policy.
- *The Assessment Act, 1990*.

Definitions:

None

Standards and Procedures:

Billing

Interim Billing

Each property owner identified on the returned assessment roll for current year taxation shall be mailed an interim tax bill payable in two installments.

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As provided in *the Municipal Act, 2001*, Section 317, the calculation of the interim tax billing may depend on the timing of the approval of the annual levy supported operating budget. When annual estimates are known the interim billing may be based on approximately fifty per cent of the current year's tax levy amount. When annual estimates are not known the interim billing may be based on approximately fifty per cent of the prior year's tax levy amount. The interim tax billing may include 50% of any local improvements, business improvement area (BIA) charges and any special charges levied by the County. Any outstanding arrears at time of bill production are included solely in first installment of the interim billing.

Final Billing

After approval of the annual operating budget and the setting of tax rates and ratios a final tax bill shall be mailed to each property owner identified in the returned assessment roll. The final tax bill shall be levied for the year less the interim tax bill and is payable in two installments. The final bill will include all local improvement charges, business improvement area charges and any special charge levied by the County. Any outstanding arrears at time of bill production are included solely in first installment of the final billing.

Supplemental and Omitted Billing

Sections 33 and 34 of the Assessment Act allow for taxation on assessment amounts that were not included in the annual assessment roll.

Section 33 allows for taxation of real property that has been omitted from the roll. The provision allows for taxation in the current year, plus a maximum of the two preceding years.

Section 34 allows for taxation of an assessment that has increased in value or has been added after the return of the last revised roll. These taxes can apply only to the current year

Supplemental/Omitted tax billings shall be levied as required based on assessment changes received from the Municipal Property Assessment Corporation (MPAC). Supplemental/Omitted bills are issued as soon as practical following the final tax bill.

Supplemental tax notices are not included as part of any preauthorized payment plans and must be paid separately by the property owner. This shall be indicated on all supplementary bills that are issued.

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Due dates are payable in two installments.

Delivery of Tax Notices

As set out in the Municipal Act, section 343 (1) all tax notices must be post marked and mailed 21 days prior to the date of the first installment due date.

Any bill or notice sent by standard letter mail is considered delivered and received by the addressee upon being sent.

Failure to notify the County of a mailing address change in writing is not an error on behalf of the County. It is the property owner's responsibility to notify the municipality in writing of any changes to a mailing address.

Payment

Methods of Payment

Payment of taxes must be received on or before the due date. The following methods of payment are available:

- a. Preauthorized payment plan
- b. Payment at a Canadian financial institution (or ATM)
- c. Telephone or internet banking
- d. Mortgage company payment on property owner's behalf
- e. In person at certain County facilities
- f. By cheque placed in a drop box located at certain County facilities or via mail
- g. Virtual County Hall (Norfolk's Online Platform)

Participants in preauthorized payment plans and property owners whose taxes are paid by mortgage companies will be mailed an interim and final tax bill for their records.

Preauthorized Payments

The following preauthorized payment plans are available:

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- Monthly “A” Plan – 1st day of each month
- Monthly “B” Plan – 15th day of each month
- Installment “C” Plan - Installment Due Date as indicated on Tax Notice for interim and final only.
- Monthly “D” Plan (Arrears Plan) – 1st day of each month
- Monthly “E” Plan (Arrears Plan) – 15th day of each month

Individuals wishing to participate in any of the aforementioned plans must submit an application at least ten (10) calendar days prior to the first payment date. Individuals requesting a change or to cancel participation in any of the PAP plans must do so in writing at least ten (10) calendar days prior to the next payment date.

Monthly “A” and “B” Plans

Property owners are eligible to participate in Monthly A and B Plans if their account balance is current as of the chosen date of enrollment (excluding taxes not yet due). Tax accounts are penalty and interest exempt during enrollment.

Any additional charges added to the tax account that remain unpaid at the time of payment amount recalculation (i.e., for January and September) will be included in the monthly payment amount. Any past due amounts including supplemental amounts at the time of PAP re-calculation will be included in the calculation of the monthly amount to be paid resulting in the tax account balance being \$nil by the end of the current year.

Should the County receive returned item notices for PAP transactions three times within a twelve-month period for one property, participation in the program will be automatically suspended. Payments returned by a financial institution will result in reversal of the payment and the addition of the applicable administration fee to the tax account.

Notice of payment amounts are issued twice per year in December for payments from January to August and in August for payments from September to December.

Monthly “D” and “E” Plans

Participants signed up for the Monthly D and E (Arrears) Plan will have the amount indicated by the ratepayer withdrawn on the 1st or 15th of the month. Accounts enrolled in these plans will incur penalty and interest charges.

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Penalty and Interest

In accordance with section 345 of the *Municipal Act, 2001* and related County By-Law, penalty and interest shall be charged on any tax arrears that remain outstanding on the first day of each calendar month.

Penalty

A percentage charge, not to exceed 1 1/4 per cent as determined through by-law of the amount of taxes due and unpaid, shall be imposed as a penalty for the non-payment of taxes on the first day of default or such later date as the by-law specifies. The County shall calculate the amount of penalty as of the first day of the month following the month for which an account balance was outstanding but may post the transaction to the last day of the preceding month for accounting purposes.

Interest

An Interest charge, not to exceed 1 1/4 per cent each month of the amount of taxes due and unpaid, shall be imposed for the non-payment of taxes in the manner specified in the by-law. The County shall calculate the amount of penalty as of the first day of the month following the month for which an account balance was outstanding but may post the transaction to the last day of the preceding month for accounting purposes.

Deemed taxes

Penalty and Interest Charges imposed are deemed to be part of the taxes on which the charges have been imposed. No interest shall be imposed on penalty/interest.

Penalty and Interest Cancellation

The County shall cancel or refund late payment charges imposed under this section on overcharges of taxes arising as a result of errors or changes set out in section 345 (7) of the Act if the overcharges were not paid when they were due and are no longer owed.

Under no other circumstance shall penalty and interest be cancelled or waived unless there was a clerical or administrative error completed by Norfolk County.

Penalty and Interest Exempt Status

Penalty and interest exempt status shall only apply in the following circumstance:

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- Properties enrolled in the Pre-Authorized Payment Plans A and B
- Properties owned by Norfolk County and other direct government entities

Arrears Collection

Reminder Notices

A reminder notice shall be sent to each property owner whose account is in arrears of \$10 or more. Reminder notices shall be issued before the fifteenth (15th) day of the month immediately following a month in which the second interim or final tax due date has occurred.

As a year-end procedure in accordance with s. 348 of the Municipal Act, a reminder notice shall also be issued on or before the last day of February each year to all accounts in arrears regardless of the amount owing. Norfolk County will make best efforts to issue notice by January 15th of each year.

Tax Sale Procedures

If property taxes remain unpaid for two years as set by the *Municipal Act, 2001* the tax sale process may be utilized to collect the tax arrears. Steps of the tax sale process are shown in Appendix 1.

The parameters and timelines established by the *Municipal Act, 2001* will be strictly adhered to at each step of the tax sale process including the issuance of prescribed notices.

Write-offs and Adjustments

Assessment Review Board (ARB) decisions and other changes provided by the MPAC under the authority of the *Assessment Act* or *Municipal Act, 2001* may result in changes to property assessment. The Treasurer or designate is authorized to process the write-off of taxes as a result of the changes which are to be processed after final billing if the assessment notice relates to the year in which it was received by the County.

Write-offs to tax accounts are processed for the following:

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Tax Incentive Approvals (TIA) – Issued by MPAC when a property is approved for a tax incentive program, which includes, Farm Property Class Tax Rate, Conservation Land Tax Incentive Program and Managed Forest Tax Incentive Program. Approved TIA's are processed as soon as practical after they are received from MPAC.

Request for Reconsideration (RFR) – When a property owner has filed a RFR with MPAC these are processed as soon as practical after Norfolk County receives the signed Minutes of Settlement from MPAC

Post Roll Amended Notices (PRAN) – PRAN represent changes to the tax account after the roll has closed for the assessment year. These are processed as soon as possible after they have been received from MPAC

Special Amended Notices (SAN) – Issued by MPAC when there are changes under the Assessment Act or its regulations, or the Education Act that affect a property assessment. These are processed as soon as possible after they are received from MPAC

Assessment Review Board (ARB) Decisions – Processed as soon as practical after Norfolk County receives notice of decision from ARB.

357/358 – Applications for Reduction in assessment – processed in accordance with By-Law 2019-54.

If penalty or interest has been charged to the account as a result of the difference in amount of taxes billed and the amended amount, then the penalty or interest will be reversed on the portion of taxes relating to the write-off. In all cases of write off or adjustment the property owner shall be advised, in writing, as to the reason for the assessment change and the impact to the tax account.

Debts Owing to the Municipality

Any debts owing to Norfolk by a property owner that are in default may be added to that individual's property tax account and will be collected in the same manner as taxes in accordance with legislation.

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Roll Maintenance

Ownership Changes

Any changes to ownership of property regardless of the nature of said change will incur a property tax account maintenance fee as set out in the user fee by-law.

The County shall only conduct ownership changes received from MPAC as part of a Municipal Sales Listing product.

Mailing Address Changes

In accordance with *Municipal Act*, 2001 s. 343 (6), all tax notices will be sent to the address of a property unless otherwise indicated by the property owner in writing.

Severances/Consolidations

Norfolk County does not process partial year severances or consolidations. Any changes will be reflected in the year following the year that the Severance or Consolidation occurred. For properties where a severance has occurred and where ownership of the parent roll has changed, upon the County being notified of said change in the year of the severance, the County will reflect the revised ownership on the roll. Norfolk County will send notice to the owner of the retained roll including the Severance/Consolidation Information Form as produced by the Municipal Property Assessment Corporation in order for the retained roll owner to calculate any property tax adjustments between the retained roll and the newly created roll as required.

Account Adjustments and Refunds

An administration fee will be charged for any transfers of payment between property tax accounts or refunds processed in accordance with the user fee by-law.

Under no other circumstance shall this administration fee be cancelled or waived unless there was a clerical or administrative error completed by Norfolk County

Responsibilities:

The following services shall be provided by Revenue Services which may include applicable fees as set out in the user fee bylaw:

- a. Tax Certificates.
- b. Payment processing.

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- c. Tax analysis upon request/ Letter for income tax purposes upon request
- d. Duplicate tax receipt or tax bills upon request.
- e. Respond to telephone enquiries from property owners, law offices, mortgage companies, etc.
- f. Administration of the tax sale process.
- g. Receipt and processing of applications for reductions/change in assessment.
- h. Issuance of interim, final and supplementary tax billings.
- i. Processing of applications for reduction in taxes in accordance with legislation and County policies and programs.
- j. Processing of changes to the tax roll as required i.e. ownership, mailing address, etc.

Administrative amendment to this Policy are delegated to the Treasurer in consultation with the Tax Collector and are not required to be presented to Council for approval before enacting.

Communication:

This policy will be made available to all Council members, staff and the general public to encourage accountability and transparency. All documents will be made available in accessible formats as requested.

Evaluation:

Every five years

Legislative Reporting Requirements:

None

Appendix 1 – Tax Sale Process

<p>Early Warning Letter</p>	<ul style="list-style-type: none"> • Notice sent to property owner(s) advising that property is eligible for the tax sale process. • Owner(s) to contact Tax Arrears Collection Clerk to avoid tax sale proceeding and additional charges being added to the tax account. • Early warning letters are provided as a courtesy.
<p>Payment Option to Pause Process</p>	<ul style="list-style-type: none"> • All arrears that have contributed to a property being eligible for the registration of tax arrears certificate plus all accrued penalty and interest. • Monthly payment plan to address arrears in a reasonable time as determined by the Tax Collector. • **These options remain available after each step to pause the tax sale process prior to the Tax Arrears Certificate Registration.
<p>Warning Letter</p>	<ul style="list-style-type: none"> • Warning Letter sent to property owner advising that property taxes remain in arrears and is eligible for the registration of a tax arrears certificate. • Fee added to tax account as per Norfolk County user fee By-Law.
<p>Notice of Intent to Realize on Security</p>	<ul style="list-style-type: none"> • Also referred to as Farm Debt letter • Farm Debt letter sent to property owner by registered mail as required by legislation. • Must be sent to all owners regardless of nature of property. • Fee charged to tax account as per Norfolk County user fee By-Law
<p>Tax Arrears Certificate Registration</p>	<ul style="list-style-type: none"> • 21 days after the Farm Debt Letter has been sent a property is eligible to have a tax arrears certificate registered on title. • A lien is registered on title to the property and all interested parties receive notice. • All costs associated with lien registration and notices are added to property tax account. • No partial payments can be accepted once tax arrears certificate has been registered. Payment must be for full balance or an extension agreement must be in place
<p>Extension Agreement</p>	<ul style="list-style-type: none"> • Formal agreement signed by property owner and Tax Collector (or designate) • Cost as per user fee By-Law is added to tax account • Payments must be made every month or else agreement is cancelled and property goes back to where it was in tax sale process
<p>Tax Sale</p>	<ul style="list-style-type: none"> • Property is eligible to be advertised for tax sale one year after registration of the tax arrears certificate • Properties are advertised for four weeks prior to tax sale • Tax sale is done through sealed tender process • Owner can stop sale by paying the full balance outstanding up to the time a new deed has been registered