

Title:	Property Tax Administration Policy	
Policy Group: Your Government and People	Policy Administrator: Finance	
Resolution No. CW-118-2022	Policy FIN-06	
Approval Date: 2022-05-12	Revision Date: 2026-05-12	

1. Policy Statement

This Property Tax Administration Policy is designed to ensure that the County bills, collects, offers rebates and deferrals for property taxes in accordance with the Municipal Act, 2001 (the "Act"), while generating the required levy derived from the annual operating budget.

2. Purpose

- a. The objectives of this Policy are to:
- Establish the responsibilities, internal controls, authorizations and policies to ensure timely, accurate and effective preparation and collection of property taxes
 - Support long-term financial sustainability of the County while ensuring taxpayers are treated in a fair and equitable manner.
 - Provide an objective and standardizes means for responding to requests for providing property tax rebates for low income seniors and persons with disabilities
 - To establish criteria, guidelines, and a formal application process for the tax deferral program for low income seniors and persons with disabilities.
 - To provide an objective and standardized means for responding to request for providing relief for Charitable Organizations
 - To establish criteria, guidelines and a formal application process for tax rebates for eligible charities.

3. Scope

- a. This policy applies to all finance department staff whose duties include the administration of the billing, collection, deferral and rebate of property taxes.

4. Legislative Authority

- a. The Municipal Act, 2001

5. Definitions

- a. **"Assessment Act"** - the Government of Ontario is responsible for the Assessment Act and related regulations. MPAC is responsible for assessing and classifying properties in Ontario in compliance with the Assessment Act
- b. **"Eligible Charity"** - a charitable organization as defined in subsection(1) of the Income Tax Act, that has a registered number issued by the Canada Revenue Agency and is entitled to issue tax receipts for charitable donations
- c. **"Low Income Senior"** - a person who must be at least 65 years of age by January 1 of the year for which the application for tax deferral is made and whose total gross household income from all sources is \$30,000 or less
- d. **"Low Income Person with Disabilities"** - a person who in the year of application is receiving on-going disability benefits such as, the Ontario Disability Support Program and be eligible to claim a disability amount on their Canada Revenue Agency Income Tax and Benefit Return and those who total gross household income from all sources is \$30,000 or less
- e. **"Penalty and Interest"** - the late payment charges applied by the County for non-payment of taxes or any installments by the due date in accordance with Section 345 of the Act. The County shall set the penalty and interest rate of 1.25%, or the highest rate allowed under the Act, on all taxes due and unpaid
- f. **"Property Taxes"** - the total amount of taxes the County and School Board purposes levied on a property and includes other amounts as may be added to the tax roll under applicable legislation
- g. **"MPAC"** - The Municipal Property Assessment Corporation, which is responsible for determining the assessed value of all classes of assessment in the Province of Ontario. MPAC administers all phases of property assessment including appears of assessment
- h. **"Similar to Eligible Charity"** - any property falling within the definition as set out in Section 6 of the Assessment Act (exemption for Navy League of Canada)

- i. **"Tax Arrears"** - any portion of property taxes that remain unpaid after the date on which the taxes are due
- j. **"Tax Ratio"** - distributes the tax burden between tax classes relative to the residential tax ratio
- k. **"Tax Sale"** - the sale of land for Tax Arrears according to the proceedings prescribed under the Act and regulation. 181/0 Municipal Tax Sale Rules, as amended by regulation 571/17
- l. **"Treasurer"** - the Director of Finance for the County responsible for fulfilling the duties referenced in the Act.

6. Responsibility and Implementation

- a) All staff members responsible for property tax billing, collections, rebates and deferrals of property taxes are required to adhere to this policy.
- b) The Treasurer, or designate is responsible for the administration, training and implementation of this policy.

Appendix A: Tax Collection and Billing

General

Responsibilities

The assessment roll is compiled annually by MPAC and provides the assessment amounts for each property, from which property taxes are levied.

Tax ratios are established by the County.

Education rates are established annually by the Province of Ontario through regulation and levied on the lower tier municipal property tax bill.

The County sets the municipal tax rate based on the annual budget and resulting levy requirement.

The County bills property owners based on two tax rates as established by the County and the Province for education.

Property Tax Billing

Interim property tax bills are issued in February with a due date of March 15th. The interim tax bill is based on one third (1/3) of the previous year's total taxes billed for each property in accordance with Section 317 of the Act. Amounts deemed to be taxes such as outstanding water arrears may be added to the interim tax billing at one hundred percent.

Final property tax bills are issued in two groupings. Firstly, for Residential NON79 properties (residential, farm, managed forest, pipeline) and secondly for Commercial BIL79 properties (commercial and industrial). Final property tax bills for residential properties are issued in May with two installments, due June 15th and September 15th. Final property tax bills for commercial properties are issued in August with two installments, due September 15th and November 15th.

The bills are based on tax rates established by by-law from the budget requirements for the County and the Province. The interim tax billing is deducted from the total tax amount calculated to produce the final tax billing.

Section 343(1) of the Act requires tax billings be sent to every property owner at least 21 days before any taxes shown on the tax bill are due.

Supplementary Tax Billings

Section 19(1) of the Assessment Act gives MPAC the mandate to assess property at its current value. As part of this mandate, MPAC is required to maintain and update its records on a regular basis to ensure that all property is accurately assessed.

There are two sections of the Assessment Act that allow for taxation for assessable property that was not included in the annual assessment roll:

Omissions: Section 33 of the Assessment Act allows for the 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.

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

Where improvements to a property have been made, MPAC will note the changes made and determine whether a supplementary assessment should be issued to increase the assessed value of the property or change its classification.

If any additional assessment is added to the tax roll or the property classification has been changed, the property owner will receive a Notice of Supplementary Assessment or a Notice of Omitted Assessment, as appropriate. The Notice will contain the additional value which has been added to the tax roll. It will also indicate the property class to which the property has been assigned.

The County also receives information via a supplementary assessment listing and an omitted assessment listing, which are delivered at various times throughout the year. Such information is used by the County to calculate any additional property taxes.

Supplementary taxes bills are issued in the same manner as the interim and final tax bills with the exception that a separate levying bylaw is not required.

Property Tax Collection

- Penalty and interest are charged in accordance with the County by-law being the first day of each month thereafter the applicable due date for interim, supplementary and final property tax bills.
- Reminder or arrears notices are sent on a regular basis, generally four or five times each year. Any notice sent by ordinary mail is considered delivered to and received by the. Failure to notify the County of an address change in writing does not constitute an error on the County's part.

- In November, a collection letter is sent to tax accounts in arrears two or more previous years requesting payment in full or a satisfactory payment agreement.
- A payment agreement is a schedule of payments bringing the outstanding balance up to date within a reasonable period of time, generally being a n 18-24 month period. All payment agreements must be approved by the Supervisor. Penalty and interest will continue to accrue during the period of the payment agreement. The taxpayer must sign a letter of intent agreeing to the payment agreement. Failure to meet the terms of the agreement will result in further collections measures.
- Final Notices are issued in January notifying accounts in arrears two years in arrears that the property is eligible to registered for tax sale.
- Farm Debt Mediation Notices are issued to those properties that remain two years or more in arrears.
- In accordance with the Act, failure to remit payment resulting arrears two years and older, can result in the issuance of a tax arrears certificate.
- **373 (1)** *Where any part of tax arrears is owing with respect to land in a municipality on January 1 in the second year following that in which the real property taxes become owing, the treasurer of the municipality, unless otherwise directed by the municipality, may prepare and register a tax arrears certificate against the title to that land.*
- The County requires that property taxes owing against a property are up to date to process applications for items including, but not limited to, building permits, lot grading, zoning, committee of adjustment, and planning applications.
- All costs incurred for the collection of tax arrears are payable by the property owner and are added to the tax account.

Payment

In accordance with Section 347 of the 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.

Payments that are returned because of insufficient fund will be removed from the property tax account and a fee will be added as per the County's User Fees and Charge by-law.

Municipal Authority Regarding Property Taxes

Section 357 and 358 of the Act provides municipalities with the authority to cancel, reduce or refund taxes based on specific criteria.

Section 357 Cancellation, Reduction, Refund of Taxes

Section 357 is summarized as follows:

- Upon application to the treasurer of a local municipality made in accordance with this section, the local municipality may cancel, reduce or refund all or part of taxes levied on land in the year in respect of which the application is made if:
- a 'change event' as noted in subsection 34 (2.2) of the assessment Act causes the property or a portion of the property to be reclassified in a different class of real property that has a lower tax ratio for the taxation year than the class of property or portion of the property is in before the change event;
- land has become vacant or excess land during the year or during the preceding year after the return of the assessment roll for the preceding year;
- land has become exempt from taxation during the year or during the preceding year after the return of the assessment roll;
- a building was damaged to render it substantially unusable during the year or during the preceding year after the return of the assessment roll;
- a mobile unit was removed during the year or during the preceding year after the return of the assessment roll for the preceding year;
- a property owner was overcharged due to gross or manifest error that was clerical or factual in nature but not an error judgment;

The application must be filed before February 128th of the year following the property tax year for which the application is made.

Section 357 Overcharges

Upon application to the treasurer made in accordance with this section, the County may cancel, reduce or refund all or part of the taxes levied on land in one or both of the two years preceding the year in which the application is made for any overcharge caused by a gross or manifest error in the preparation of the assessment roll that is clerical or factual in nature, including the transportation of figures, a typographical error or similar errors, but not an error in judgment in assessing the property.

As required by the Act, the application must be filed with the Treasurer between March 1st and December 31st and the application may apply only to taxes levied for one or both of the two years preceding the year in which the application is made.

There are limited circumstance listed under Section 358 (5) where tax applications may not be made.

Section 359 Increase of Taxes

Section 359 provides municipalities with the authority to increase taxes to the extent of any undercharge because by gross or manifest effort that is clerical or factual in error, including the transposition of figures, a typographical error or similar error, but not an error in judgement in assessing land.

Section 359 (2) prohibits applications for increases after a tax certificate has been issued.

An application made under this section must be made before December 31 of the year following the year for which the application is made.

Applications are sent to MPAC for review of factual information up to an including an inspection of the property. The results of the review are recorded and MPAC's response and the application are returned to the municipality for processing regarding any applicable tax adjustment.

Section 354 Write-Off of Taxes

Under Section 354, uncollectible taxes may be written off, in whole or in part, following an unsuccessful tax sale or if the Treasurer includes a written explanation as to why a tax sale would be ineffective or inappropriate and recommends Council approve a recommendation to write off taxes as uncollectable. Taxes may also be written off then the property is owned the Canada, a province, a Crown agency of either of them, or a municipality.

Sale of Land for Tax Arrears

Part XI of the Act provides that municipalities may sell a property to recover unpaid taxes. Properties having two years of tax arrears owing are eligible for the registration of a tax arrears certificate. Any property having a tax arrears certificate registered will be sold by public sale if the cancellation price is not paid within one year following the date of the registration of the tax arrears certificate. The cancellation price includes all tax arrears, interest, penalties, and other reasonable costs incurred by the municipality to try to collect payment and administer the tax sale.

Within 60 days after the registration of a tax arrears certificate, the Treasure

shall send a notice of the registration of the certificate to the assessed owner of the land and all interested parties such as mortgage companies.

The County may, after the registration of the tax arrears certificate and before the expiry of the one-year period, enter into an extension agreement as approved by the Treasurer, extending the period of time in which the cancellation price is to be paid. Every extension agreement shall state:

- When and under what conditions it shall cease to be considered an existing agreement;
- That any person may pay the cancellation price at any time; and
- That is terminated upon payment of the cancellation price by any person.

When the terms of the extension agreement have been fulfilled, the Treasurer shall immediately register a tax arrears cancellation certificate.

If the cancellation price remains unpaid one year from the tax arrears certificate registration date, the Treasurer shall advertise the land for sale. The minimum tender amount shall be the cancellation price.

MPAC - Request for Reconsideration (RfR)

MPAC determines the property assessment which includes the value and classification of a property. Property owners who disagree with the assessment of their property may ask MPAC to conduct a review of their assessment through a Request for Reconsideration (RfR) process. RfRs can be requested for various reasons, including to correct:

- An assessed value that is too high or too low;
- Property data, which can include the size of a building or the area of land;
- The effective date of a supplementary or omitted assessment;
- The portion of assessed value attributable to each class of those properties that have more than one class.

For years in which there is an assessment update, the deadline to submit a Request for Reconsideration is 120 days from the issuance date printed on the Property Assessment Notice. For non-reassessment years, the deadline is March 31. For more information, please refer to:

[How to file a Request for Reconsideration \(RfR\) | MPAC](#)

Assessment Review Board Application

The Assessment Review Board (ARB) is an independent adjudicative tribunal established under the Assessment Act, with a mandate to hear appeals about

property assessment classification. The ARB receives appeals on property assessments and property taxes.

If the property is classified as residential, farm, managed forest or conservation land, the owner must file a request for reconsideration with MPAC and receive a decision before filing an appeal with the ARB. To file an appeal with the ARB, it must be filed within 90 days from the mailing date on the request for reconsideration decision. For more information, please refer to:

[ARB: About the ARB | Tribunals Ontario](#)

Appendix B: Property Tax Rebate for Low Income Seniors and Persons with Disabilities

Legislative Authority

The Municipal Act, 2001, Section 319 requires that every municipality, other than a lower-tier municipality, may pass a by-law providing for deferrals or cancellation of, or other relief in respect of, all or part of tax increase for 1998 and subsequent years on property in the residential property tax class for persons assessed as owners who are, or whose spouses are,

- a) low-income seniors as defined in the by-law; or
- b) low-income persons with disabilities as defined in the by-law

General

a. Eligibility Criteria

To be eligible for tax deferral:

- I. A **low-income senior** is a person who must be at least 65 years of age by January 1 of the year for which the application for tax deferral is made and whose total gross household income from all sources is \$30,000 or less.
- II. A **low-income person with disabilities** is a person who in the year of application is receiving on-going disability benefits such as, the Ontario Disability Support Program and be eligible to claim a disability amount on their Canada Revenue Agency Income Tax and Benefit Return and those whose total gross household income from all sources is \$30,000 or less.

b. Programs Qualifications:

An application shall qualify for tax deferral only if such applicant, or the applicant's spouse, the household and the real property with respect to which the application for tax deferral is made meet all of the following criteria:

- I. the assessed owners or their spouse have not applied for a tax deferral on any other properties within the same year of application.
- II. the applicant must have continuously owned the real property within the County of Prince Edward with respect to which the application for tax deferral is made for a period commencing one year preceding the applicant's application for tax deferral
- III. tax deferral shall only be permitted on the principle resident of the applicant applying for the tax deferral or that applicant's spouse/

- IV. The real property in respect of which the application is made is designated in the residential/farm property class.
- V. That there are no tax arrears on the property.
- VI. The application is received no later than September 30 in the year for which tax relief is being requested

c. Additional Information

- I. Any deferred amounts immediately become due and payable to the County of Prince Edward if the property is sold, or when the eligible applicant dies or ceases to be eligible under the criteria established
- II. Any increased in taxes due to improvement to the property are not eligible for tax deferral
- III. That a tax reduction from a successful assessment appeal or minutes of settlement may alter the amount of the deferral and repayment may be required
- IV. The applicant must agree to provide the necessary information to the municipality to demonstrate the eligibility requirements have been met

d. Calculation

Tax deferral will be calculated according to the following formula:

$$\frac{\text{Preceding Years Taxes (Class)}}{\text{Current Year Assessment (Property)}} \times \text{Current Year Assessment (Property)} - \text{Preceding Years Taxes (Property)}$$

e. Repayment of Tax Deferral

The unpaid tax deferral shall become due and payable at the earliest of the following dates:

- I. the date the eligibility criteria, as they apply to the applicant, the applicant's spouse, household income and the applicable real property;
- II. the date the real property with respect to which the tax deferral has been granted is sold or transferred; or
- III. the date the applicant(s) who has(ve) applied for tax deferral die(s), unless the applicant is survived by a spouse who continues to qualify for tax deferral, who shall thereafter be deemed to be the applicant who has applied for tax deferral.
- IV. tax deferral provided is not transferable to the estate of deceased owners

Responsibility and Implementation

- f. Revenue Services Clerks are responsible for administrating the Tax Deferral Program for Low Income Seniors and Persons with Disabilities.
- g. The Revenue Services Supervisor is responsible for overseeing the Tax Deferral Program for Low Income Seniors and Persons with Disabilities policy.

Documentation and Forms

- h. Appendix A - **by-law 2165-2008** being a by-law to establish tax deferral eligibility for low income seniors and persons with disabilities
- i. Appendix B - **application** for tax deferral for low income seniors and persons with disabilities

Appendix C: Tax Rebates for Charitable Organizations

Legislative Authority

The Municipal Act, 2001, Section 361 requires that every municipality, other than a lower-tier municipality, shall have a tax rebate program for eligible charities.

Eligible charity is defined as a registered charity as defined in subsection 248(1) of the Income Tax Act (Canada), that has a registration number issued by the Canada Revenue Agency. A property is eligible if is in one of the commercial classes or industrial classes.

Section 361(3) of the Municipal Act further stipulate that the program:

1. must provide for a rebate for an eligible charity that pays taxes or amounts on account of taxes on the eligible property it occupies
2. the amount of the rebate required must be at least 40%, or such other percentage as the Minister of Finance may prescribe, of the taxes or amounts on account of taxes paid by the eligible charity
3. the program must provide that payment of one-half of the rebate must be made within 60 days of receipt of the application and the balance of the rebate must be paid within 120 days of the receipt of the application
4. the program must permit the eligible charity to make an application for a rebate for a taxation year based on an estimate of the taxes or amounts on account of taxes payable by the eligible charity on the property it occupies.
5. The program must provide for final adjustments, to be made after the taxes or amounts on account of taxes paid by the charity can be determined, in respect of differences between the estimated rebate paid by the municipality and the rebate to which the charity is entitled
6. The program must require, as a condition of receiving a rebate for a year, that a charity repay any other municipality amounts by which the rebates the charity received for the year from that other municipality exceed the rebates from that other municipality to which the charity is entitled for the year.
7. an application for a taxation year must be made after January 1 of the year and no later than the last day of February of the following year. However, the municipality may accept applications after that deadline if, in the opinion of the municipality, extenuating circumstances justify the applicant being unable to make the application by the deadline

General

a. Organizations Eligible for Tax Rebates

To be eligible for tax rebates, organizations must meet the following criteria:

- III. be a charitable organization as defined in subsection 248(1) of the Income Tax Act and have a registration number issued by the Canada Revenue Agency;
- IV. be occupying property in the commercial or industrial tax class;
- V. if leasing, be able to identify the amount of taxes included in their lease payments.

b. Application Procedure

Eligible organizations must apply for the tax rebate on an annual basis as follows:

- I. applications for tax rebates will be accepted and processed by the Treasurer; or designate
- II. application must be made on an annual basis
- III. applications will be accepted between Jan 1st of the tax year and Feb 28th of the following year;
- IV. applications must be made on the standard application form which are available by request or at the County of Prince Edward website www.thecounty.ca,
- V. applications must be accompanied with current verification of charity status from the Charities Directorate, which may be obtained at the Canada Revenue Agency website www.cra-arc.gc.ca,
- VI. where the charitable organization is a tenant, provide a copy of the lease, or written confirmation from the property owner, indicating the amount of the applicable property taxes paid.

c. Amount and Procedure

- I. Tax rebates for eligible charities will be 40% of the taxes paid by the eligible charitable organization on the commercial and/or industrial assessment, providing that all the conditions listed above are met.
- II. Tax rebate shall not include GST/HST.

d. Payment of Tax Rebates

- V. Payments of tax rebates will be made, payable to the applicant, by the County of Prince Edward for 100% of the rebate within 120 days of an application being received.

Responsibility and Implementation

- j. Revenue Services Clerks are responsible for administering the Tax Rebate for Eligible Charities Program.

The Revenue Services Supervisor is responsible for overseeing the Tax Rebate for Eligible Charities Program and to provide the training on the policy.

Documentation and Forms

- k. Appendix A - **by-law 97** being a by-law to establish tax rebates for charitable organizations
- l. Appendix B - **by-law 876-2002** being a by-law to amend by-law 97 being a by-law to establish tax rebates for charitable organizations
- m. Appendix C - **by-law 1810-2006** being a by-law to amend by-law 97 as amended being a by-law to establish tax rebates for charitable organizations
- n. Appendix D - **application** for rebate of property taxes for eligible charities