



Policy: Property Tax Billing and Collection Policy

Policy Number: DRAFT until approved by Council

Effective Date: March 11, 2024

Revised Date: N/A

PURPOSE:

The Municipality of Thames Centre recognizes the importance of having a written billing and collection policy for property tax accounts. This policy incorporates the statutory requirements of the *Municipal Act, 2001*, increased customer service, acceptable business practices, and promotes consistency and fairness to its taxpayers.

SCOPE:

The Property Tax Billing and Collection Policy applies to all property tax accounts within the geographic boundaries of the Municipality.

OBJECTIVE:

This Policy is written to provide increased customer service through effective and consistent interactions between Thames Centre staff and property taxpayers.

DEFINITIONS:

Cancellation Price is an amount owing equal to all of the tax arrears, together with all current property taxes owing, interest, penalties and all reasonable costs incurred by the municipality, after the Treasurer becomes entitled to register a tax arrears certificate. The cancellation price will be calculated as of the date that the amount of the tax arrears is paid to the municipality and may be higher than the amount set out in the certificate.

Collection Costs are all costs incurred by the municipality to obtain information for collection purposes and/or collect Tax Arrears including, but not limited to, title search fees, corporate search fees, registered or certified mail, administrative charges, legal costs and tax sale scale of costs.

Extension Agreement is a contract between the municipality and the owner, spouse of the owner, a mortgagee, a tenant in occupation, or a person the Treasurer is satisfied has an interest in the land to extend the period of time in which the cancellation price is to be paid. The contract is entered into after the registration of a tax arrears certificate and before the expiry of the one-year period following the registration date.

Municipal Property Assessment Corporation (MPAC) 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 appeals of assessment.

Penalty and Interest means the late payment charges applied by the Municipality of Thames Centre for non-payment of taxes or any installment by the due date, in accordance with Section 345 of the *Municipal Act, 2001*. The Municipality shall set the penalty and interest at the rate of 1.25%, or the highest rate allowed under the Act, on all taxes due and unpaid.

Property Taxes are the total amount of taxes for municipal, county and school purposes levied on a property and other amounts added to the tax roll as may be permitted by applicable Provincial legislation, including but not limited to, outstanding fines under the Provincial Offences Act; fees and charges authorized under the Building Code Act; and fees and charges related to fire department false alarms and calls to illegal burns.

Receipt Date is the date the Municipality received the money either physically by Thames Centre staff or electronically received within the municipal bank account.

Tax Arrears are any portion of property taxes that remain unpaid after the date on which they are due.

Tax Arrears Certificate is a document that is registered on title, indicating the described property will be sold by public sale if all property taxes are not paid to the municipality within one year of the registration of the certificate.

Tax Collector is the person(s) appointed as Treasurer and Deputy Treasurer for the Municipality of Thames Centre.

Tax Sale is the sale of land for Tax Arrears according to the proceedings prescribed under the *Municipal Act, 2001, c.25* and *O. Reg.181/03 Municipal Tax Sales Rules*, as amended by *Ontario Regulation 571/17*.

Treasurer is the person appointed as Treasurer for the Municipality of Thames Centre. This title is interchangeable with Director of Financial Services/Treasurer or designate for the purposes of this policy.

ROLES AND RESPONSIBILITIES:

Municipal staff assigned to the administration and collection of property tax accounts shall adhere to the policy and procedures detailed below.

POLICY:

The Municipality of Thames Centre will follow a prescribed policy for the billing and collection of property taxes. 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 annual billing and ongoing collection process. Municipal staff and Council should reference

this document when communicating with the public regarding property taxes.

- As property tax billing and collection is the primary source of revenue for the Municipality of Thames Centre, this policy will help to:
 - a) Establish consistent guidelines to be followed with regard to the billing and collection of property taxes;
 - b) Streamline activities and set out appropriate steps required for collection of past due property taxes;
 - c) Ensure a clear and consistent written policy for the Municipality; and
 - d) Ensure all activities conform to the current legislation. Real property tax is levied on the assessment for real property within the Municipality of Thames Centre in accordance with Section 307(1) of the *Municipal Act, 2001*.
- This policy shall be reviewed at least every five years, or more frequently as legislation changes.
- The Chief Administrative Officer, in consultation with the Director of Financial Services/Treasurer, has the authority to exercise discretion in the application of these policies where unusual circumstances may be apparent. The guiding principles for this discretion shall be ensuring legislative requirements are met, ensuring fairness to all taxpayers, and that the overall best interests of the Municipality are met.

Tax Notices and Tax Instalments

Upon receipt of the collector's roll, the Tax Collector is charged with the responsibility of collecting property taxes. The collector shall prepare two tax notices annually: an interim notice and a final notice for ratepayers in the Municipality. Each notice shall state two instalment due dates to facilitate a quarterly payment system. The *Municipal Act, 2001*, Section 341(1) requires a minimum of twenty-one days between the issuance of a tax bill and the due date. Failure to receive a tax bill issued in a timely manner by the Municipality will still result in penalty and interest charges being applied if the instalment is not paid by the due date.

- Interim Tax Levy – produced in February with instalment due dates on the second last business day of February and the second last business day of May.
- Final Tax Levy – produced in August with instalment due dates on the second last business day of August and the second last business day of October.

A levying by-law passed by Council is required in advance of either an interim or final tax billing.

Alteration of Due Date

The Tax Collector may, on occasion, find it necessary to alter an instalment due date on a tax notice when the property has changed ownership and records have not been updated in time for correct mailing. It is the new owners' responsibility to ensure the correct information is provided to the Municipality in a timely basis. The tax notice may go to the former owners and often be returned to the Municipality with much delay. The instalment due date may be adjusted at the discretion of the Tax Collector to allow the legislated length of time for payment by the new owner.

Interim Tax Levy

As provided in the *Municipal Act, 2001*, each property owner, identified on the returned

assessment roll, shall be sent an interim tax bill. Interim tax bills are produced in February based on the last revised assessment roll. The tax billing will be calculated to produce a tax bill no more than 50% of the previous year's total taxes billed for each property in accordance with Section 317 of the *Municipal Act, 2001*.

Participants in the monthly pre-authorized payment program will have received a notice in January advising them of the amount of their monthly payment withdrawal from their financial institution account. This calculated amount is for the months February to July. Interim tax bills will be sent to instalment participants but not to monthly participants.

Final Tax Levy

After completion of the annual budgetary process, and the setting of the current year tax rates, a final bill shall be sent to each property identified on the returned assessment roll. The final tax bill shall be levied taxes for the year, less the interim bill, and be payable in two installments.

The current year tax rate consists of three (3) separate rates;

- Municipal Tax Rate - General (Thames Centre)
- Municipal Tax Rate - County (County of Middlesex)
- Education Tax Rate - Provided by the Minister of Finance

All participants in the preauthorized payment program (monthly and installment) will receive a final tax bill with a note on the bill that they are participants in the preauthorized payment plan and that the bill is for information only.

Following the calculation of the final billing, participants in the monthly preauthorized payment plan will receive a separate notice in August advising them of the amount of their monthly payment withdrawal from their financial institution account. The calculated amount is for the months August to November.

Local Improvement Charges and Special Area Rates

Where local improvement charges are to be placed on the tax notices, they may be placed either on the interim or the final notice determined by the Treasurer and Tax Collector. Fifty percent (50%) may be placed on the interim with the remaining fifty percent (50%) on the final or one hundred percent (100%) on the interim or final. Local improvements shall include solid waste collection fee, drainage loans payments, tile and drainage one-time maintenance charges and other similar charges. Outstanding water and sewer billings or miscellaneous accounts receivable invoice charges may be added to the interim and/or final bill at one hundred percent (100%). When such charges are placed on a tax billing, they become part of the total taxes due and shall be collected in the same manner as taxes.

Special area rates (if applicable) will be placed on the final tax notice.

Supplementary Tax Notices

There are two sections of the *Assessment Act* that allow for taxation of ratable property not included in the annual assessment roll;

- Omissions (Section 33) - allows for taxation of real property that has been omitted from

the roll. This provision allows for taxation in the current year, plus a maximum of the two preceding years.

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

Billings may apply for the following reasons, new construction, improvement/addition to a property or tax class reclassification.

After receiving notification from the Municipal Property Assessment Corporation (MPAC) tax bills will be calculated, printed, and sent to each property owner identified on the Supplementary/Omitted assessment notification listing.

These listings are provided to the Municipality monthly, from April to November each year.

Supplementary tax bills are issued and sent in the same manner as the interim and final tax bills with the exception a separate levying by-law is not required. The number of installments and due dates of the supplementary bills will be set at the discretion of the Tax Collector. Due dates will be established, so as not to overlap with any previous billing due date(s) where practical.

Supplementary billings are not included in the preauthorized payment plan and must be paid by the instalment due dates.

Penalty and interest are charged on supplementary taxes outstanding.

Recalculation of Property Taxes at Time of Sale

The Municipality will not recalculate the property taxes for a part year on the date of sale of a property. The property taxes for a property being sold are included on the Statement of Adjustments prepared by the seller's/purchaser's lawyer. Any questions regarding the property tax split on the sale/purchase of a property should be directed to the lawyers involved in the sale.

Tax Notices Distribution

In accordance with section 343 of the *Municipal Act, 2001*, tax notices shall be sent to each taxpayer no later than twenty-one days prior to the first instalment due date for interim, final and supplementary bills.

Section 343(6) of the *Municipal Act, 2001* identifies that property tax bills shall be sent to the taxpayer's last known residence or place of business or to the premises where the taxes are payable for, unless the taxpayer or the taxpayer's lawyer directs otherwise. This direction continues until it is revoked in writing. It is the taxpayer's responsibility to notify the Municipality of any mailing address changes.

Section 343 (6.1) of the *Municipal Act, 2001*, identifies that property tax bills shall be sent to the taxpayer electronically. Property owners may authorize the Municipality to transmit all property tax bills to an email address provided by the property owner. The property owner(s) will not receive a property tax bill by regular mail. Responsibility for contacting the Municipality

of any future changes on the email address resides with the property owner.

Deemed Received

Any tax bill, arrears notice, or other related correspondence sent by ordinary mail is considered delivered to and received by the addressee unless the notice is returned by Canada Post or an error in the mailing address is proven by the taxpayer.

Any tax bill, arrears notice, or other related correspondence sent by electronic mail is considered delivered to and received by the addressee unless the notice is returned or an error in the email address is proven by the taxpayer.

Failure to receive a tax bill, by regular mail or electronically, does not exempt a taxpayer from paying the taxes and the penalty and interest added as a result of late payment.

If an owner of a property fails to notify the Municipality of a change in mailing address, resulting in the return of their mail by Canada post, no further action will be taken by the Municipality to locate the whereabouts of the owner.

Mortgage Company

A mortgage listing of roll numbers, taxes owing and the due dates, in electronic format, is provided to each mortgage company who has given notification to the municipality that they hold an interest in a particular property. All property owners who have their property taxes paid by the mortgage holder will receive a tax bill, with a note on the bill that their taxes are paid by the mortgage company and the bill is for information purposes only.

Tax Reminder Notice

Reminder notices will be published in local newspapers, municipal website and social media one (1) week prior to dues date reminding ratepayers of instalment dates.

Bill Format

The tax bill issued will meet all requirements of the provincially legislated standard tax bill. Arrears are included solely in the first installment due date amount. Instalment due dates will be indicated on the payment stubs. Billing messages may be used to relay information to ratepayers.

Payment of Taxes

All property taxes are payable to the Municipality of Thames Centre, 4305 Hamilton Road, Dorchester, Ontario N0L 1G3.

Payments of taxes must be received in the Municipality's administrative office or be postmarked on or before the due date. Receipt date will be the official date of the payment. For online payments through financial institutions, the day of the year the ratepayer made payment is the receipt date. Payments not received on time are subject to penalties and interest.

Payment methods available for property taxes are as follows:

- 1) Mailing cheque payment directly to the municipal office.
- 2) Cash, cheque or debit payment at the municipal office during regular office hours.
- 3) Secure drop box located at municipal office (after hours – cheque payments only)
- 4) Payment at any recognized bank or trust company (please allow 3-5 business day for processing).
- 5) Payment by telephone or online banking through your financial institution – using the nineteen-digit roll number as the account number (please allow 3-5 business days for processing)
- 6) Pre-authorized payment (PAP) plan (Instalment Due Date / 10 month – February to November)
- 7) Credit Card Payment - online or by telephone through Paymentus Corporation, a third-party bill payment service, subject to a convenience fee of 2.5% of total paid.
- 8) Payment by mortgage holder on the property owner's behalf.
- 9) Post Dated Cheque(s) - cheques will be accepted and held by the tax department until the due date.
- 10) Third party cheques may be accepted at the discretion of the Director of Finance/Treasurer.

Ratepayers shall be advised of the various payment methods available with each tax notice.

Receipts will be provided for all cash payments and upon request by the registered owner for all other methods of payment. Receipts will be provided when requested in person, or mailed to the property owner, provided a stamped (postage paid) self-addressed envelope is provided.

If a property has been registered through the Municipal Tax Sales process, the payment must be in the form of a certified cheque or bank draft. In addition, a partial payment will be not accepted where a Tax Arrears Certificate has been registered against a property, except when the Municipality has entered into an Extension Agreement.

Application of Payments

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

- The payment shall first be applied against late payment charges (penalty and interest) 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 penalty and interest/late payment charges are discharged first).
- After all outstanding late payment charges are discharged the payments 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.

Penalty and Interest Charges

In the event of a default payment on instalments by the due date, penalty and interest charges shall be imposed. Penalties and interest are charged pursuant to the requirements set out in Section 345 of the *Municipal Act, 2001*. Penalties are calculated and applied to accounts on the first business day following the instalment due date. Interest is applied to accounts on the

first business day of each month thereafter.

On current taxes only a one-day grace period will be allowed on the first working day following each instalment due date.

Any taxpayer utilizing a PAP plan will not be subject to any penalty and interest charges related to the annually established instalment due dates.

If paying by mail, telephone banking, online or at a recognized financial institution the taxpayer assumes responsibility for late arrival.

A request for relief of the penalty will be first considered by the Deputy Treasurer. A penalty charge as a result of an error by the municipality shall be credited back to the ratepayer equal to the amount charged. All other requests for relief of penalty must be in writing to the Treasurer or Deputy Treasurer. The Treasurer or Deputy Treasurer has the authority to waive or alter penalty and/or interest charges if the amount does not exceed \$100.00. If the amount is greater than \$100.00 the Treasurer shall make a recommendation and report to Council.

Penalty and Interest Adjustment

Penalty and Interest changes may be adjusted in accordance with the following circumstances:

- a) Taxes are adjusted under Section 354, 357 or 358 of the *Municipal Act, 2001*.
- b) Taxes are adjusted due to an Assessment Review Board Decision
- c) Taxes are adjusted following direction of the Municipal Property Assessment Corporation (MPAC).
- d) Taxes are adjusted according to a decision of the courts.
- e) Payments that have been received before due date but have not been processed through the tax system prior to penalty and interest added.
- f) Deemed by the Tax Collector as a gross or manifest clerical error.

Returned Payments

All payments that are returned by a financial institution, for any reason, will be subject to a Returned Payment Fee, as set out in the Municipality's Charges and Fees By-law and applicable penalties and interest charges applied. The payment transaction is reversed and added back to tax account. The payer shall be advised of the returned payment, the addition of the returned payment fee, and the current balance due and owing on their account.

If two (2) cheques are returned due to Non-Sufficient Funds (NSF) on a taxpayer's account, personal cheques from that taxpayer will no longer be accepted unless they are certified.

If two (2) payments made by monthly or instalment pre-authorized payment plan are returned from a financial institution for any reason within a twelve (12) month period, the account will be removed from the pre-authorized payment plan. This restriction will remain in place until such time as the account is brought up to date.

Payment of a tax account by a cheque tendered in currency other than Canadian funds will be accepted at the exchange rate established by the financial institution the day the cheque is

deposited to the Municipality of Thames Centre bank account.

Request for Tax Information

A Tax Certificate will be issued by the Tax Collector or other delegated staff upon request and upon payment of the fee designated by municipal by-law.

Verbal requests following the issuance of a Tax Certificate will be available for three (3) months to a law office to which the Tax Certificate was issued.

The Tax Collector or assigned staff will only respond to verbal requests for tax information from the owners of the property or a mortgage company responsible for payment of taxes.

The tax certificate can be a useful tool when used during the sale or purchase of property. In addition to taxes levied and outstanding, the Tax Certificate advises if property owners are enrolled in the preauthorized payment plan which may require some action prior to the closing date. It also identifies if the property owner has other debts to the municipality.

The Tax Collector will give information as required and in accordance with the *Municipal Freedom of Information and Protection Privacy Act (MFIPPA)*.

Property owners may request a Property Tax History Statement. This statement shows all billings and payments relating to the property. A statement fee is designated by municipal by-law. The statement does not provide the same information as an official Tax Certificate.

Tax Arrears

The municipality will use the following methods to collect Tax Arrears:

- 1) Tax Reminder Notices
- 2) Verbal Communications
- 3) Personalized Letters
- 4) Monies owed to Taxpayer
- 5) Collection of Tenants Rent
- 6) Bailiff Services
- 7) Municipal Tax Sale procedures

Tax Reminder Notice

Taxes are considered in arrears after the due date for the interim and the final tax bills. Standard reminder notices – Statement of Unpaid Taxes, are sent by mail or electronic means, with a detail summary, after each instalment due date. Notices for less than \$5.00 are not produced but continue to accrue penalty and interest.

Notices may be sent monthly, at the discretion of the Tax Collector to tax accounts with two previous years outstanding.

In January of each year, notices are sent by mail or electronic means to all taxpayers who owed taxes as of December 31st in the preceding year.

Affixed to the November and December arrears notices for those properties approaching two years in arrears will be a notice that states;

“Your property is going to be eligible for Tax Sale. Please contact [Finance Department contact name and phone number] to avoid having your property registered for Tax Sale.”

Verbal Communication

Taxpayers shall be contacted by telephone to confirm receipt of “Statement of Unpaid Taxes” and discuss possible payment options.

Personalized Letter

A personalized letter, issued by the Tax Collector, is sent to tax accounts two or more years outstanding, asking for payment in full or a satisfactory payment arrangement to be made by a specified date. If an acceptable payment arrangement is made, the account is monitored for compliance.

If no reply is received, or suitable payment arrangement is not made by the specified date, the municipality may proceed with registering a Tax Arrears Certificate on file of the land and move forward with Tax Sale proceedings under Section 373 of the *Municipal Act, 2001*.

Recovery of Arrears through Monies Owed to Taxpayer

If the Municipality of Thames Centre is holding any monies owing to a taxpayer, such as accounts payable cheques, tax adjustments, refunds or rebates, these amounts will be applied to the taxpayer's tax arrears, with notification to the taxpayer.

Collection of Tenants Rent (Landlord has Tax Arrears)

After the taxes have been in arrears for one year, a notice will be sent to the landlord informing them of the Municipality's intention to collect the rent. This will allow the landlord an opportunity to make payment arrangements with the Treasurer. If within 14 days of sending the notice no reply is received, the Municipality will inform the tenants to pay the rent directly to the Municipality until all interest, penalty and taxes have been collected. Under Section 350(1) of the *Municipal Act, 2001*, the Municipality may give a tenant notice, in writing, requiring the tenant to pay the rent as it becomes due until the taxes are paid.

Bailiff Services

The Treasurer may use the services of a bailiff and all methods allowed within their authority to collect unpaid property taxes.

Tax Registration

Arrears over two years are subject to the Tax Registration Process commencing on the first day of the following year. The Treasurer authorizes accounts with two years of arrears to be registered for a tax arrears certificate. Processing charges will be added to the account, as established by municipal by-law and as revised throughout the tax registration proceedings to

cover the cost of registering the property.

A contracted tax registration firm may be used to process the required statutory notices and declaration.

Extension Agreement

A taxpayer in a tax registration process may request an extension agreement to increase the period of time in which the balance outstanding is to be paid. The Tax Collector can enter into a payment plan agreement with the resident before the property is registered. After the property is registered, the Treasurer must approve the request within one year of the date that the property was registered for a tax arrears certificate. Extension agreements are subject to terms and conditions set out in the agreement and are established on a property-by-property basis using the following principles and guidelines:

- Maximum term of the agreement is 12 months to clear all outstanding balances;
- Monthly payment(s) amount(s) are required over term of extension agreement; and
- Advance payment of required fee to establish an extension agreement as established by municipal by-law and as revised.

In the event of default, a registered letter will be sent to notify a taxpayer as such, and the agreement will thereby be terminated, putting the property in the same position in tax registration and sale proceedings as it was prior to entering the extension agreement.

Tax Sale

Properties that meet one of the following criteria will be advertised for tax sale:

- Tax arrears are not paid in full within one year from the date of registration; or
- Taxpayer has defaulted on an extension agreement.

Appendix A outlines the steps involved in a tax sale by tender.

Successful Tax Sale

When there is a successful purchaser, a property is transferred to the name of the successful bidder.

Unsuccessful Tax Sale

When there is no successful purchaser, the Treasurer will write a report to Council outlining the options as follows:

- 1) Assessing the risks of taking possession of the property (vesting), including any Crown Liens or environmental issues.
- 2) Completion of tax sale proceedings again within the two-year period as allowed by Section 380.1 (1) of the *Municipal Act, 2001*.
- 3) Write off the property taxes as allowed by Section 354 (3) of the Municipal Act.
- 4) Any other actions that are deemed appropriate.

Miscellaneous

Credit Balances

From time-to-time property tax accounts may experience credit balances for various reasons such as reduction in assessment, tax class change, duplicate payment or payment in error. Should a credit appear on a tax account as a result of duplicate payment, or payment in error, it will be applied to subsequent installments not yet due in the current year. At the written request of the ratepayer, a cheque will be issued to refund credits on account, after allowing sufficient time (10 business days) for the taxpayer's cheque to clear their financial institution. A written request is required when a refund is requested by a mortgage company.

The minimum amount for a refund to be processed will be \$25.00. Credits of \$5.00 - \$25.00 will remain on the account to be applied to future tax instalments. If a credit on a tax account does not exceed \$5.00, the Tax Collector may adjust to a zero balance.

Small Balance Write-off

In some circumstances, there remains a balance owing on a taxpayer's account after a payment is received. When the remaining amount is small enough that the additional cost of collection would not be deemed worthwhile, it may be expedient to write off the amount. The Municipality authorizes the Treasurer and/or Tax Collector to approve such write-offs for outstanding amounts equal to or less than \$2.50 at the end of each year.

Maintenance of Records

Ownership, address, assessment and other changes will be made regularly to keep tax records up to date. This will ensure that the municipality bills the right person at the correct amount, and that accurate tax revenue reporting occurs. It is still the new owner's responsibility to provide this information to the municipality on a timely basis. Information provided directly to the municipality will be shared with MPAC at the approval of the taxpayer.

Tax Relief for Low-Income Seniors and Low-Income Persons with Disabilities

Section 319 of the *Municipal Act, 2001* requires that a municipality shall have a policy for the provision of a Low-Income Senior or Low-Income Disabled Person tax deferral. In this case, deferral means that the taxes are not forgiven or written off, it is a lien on the property and must be addressed at some point.

The County of Middlesex By-Law # 5576 was established to provide tax relief for senior and disabled persons.

Thames Centre By-Law # 103-2001 was established to provide relief for eligible seniors and eligible disabled persons who are owners of real property in the Municipality of Thames Centre. This program is administered by the Municipality.

Tax Rebates for Charities and Similar Organizations

Section 361 of the *Municipal Act, 2001*, requires that a municipality provide relief from property tax for charities and similar non-profit organizations. Upon application, qualifying charities and organizations are provided with a rebate of forty percent (40%) of taxes paid.

The County of Middlesex By-Law # 5577 was established to provide a Tax Rebate Program for the purpose of providing relief from taxes on Eligible Charities and Similar Organizations.

Thames Centre By-Law # 102-2001 was established to provide a Tax Rebate Program for the purpose of providing relief from taxes on eligible property in Thames Centre occupied by eligible charities and similar organizations. This program is administered by the Municipality.

Bankruptcy

When a property owner files for bankruptcy, the Municipality is a secured creditor, as the tax debt is charged against the real property. The municipality ranks in preference and priority to any other claims, except those of the Provincial and Federal governments. A letter is forwarded to the trustee advising them of the municipalities claim and that it is assumed property taxes will be paid once the property is sold.

Appendix A – Tax Sale Procedures by Tender

**One year after the registration of the Tax Arrears Certificate on title:
(or after 90 days under expedited process for Forfeited Corporate Property)**

