

THE CORPORATION OF THE TOWNSHIP OF HILTON

BY-LAW NO. 1504-26

Being a by-law to adopt the Tax Collection Policy
for the Corporation of the Township of Hilton.

WHEREAS Section 5(1) of the *Municipal Act, 2001*, S.O. 2001, c.25, as amended, provides that the powers of a municipality shall be exercised by its council;

AND WHEREAS Section 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law unless the municipality is specifically authorized to do otherwise;

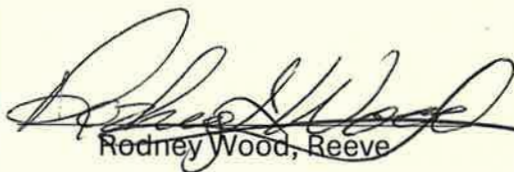
AND WHEREAS Section 5(4) of the *Municipal Act, 2001* provides that subsections (1) to (3) apply to all municipal powers, whether conferred by this Act or otherwise;

AND WHEREAS Council deems it appropriate and in the public interest to adopt a Tax Collection Policy to establish consistent and transparent procedures for the billing, collection, and enforcement of property taxes;

NOW THEREFORE the Council of the Corporation of the Township of Hilton hereby enacts as follows:

1. **THAT** the Tax Collection Policy attached hereto as Schedule "A" is hereby adopted.
2. **THAT** Schedule "A" (Tax Collection Policy) and Schedule "B" (Tax Payment Arrangement Agreement Form) attached hereto shall form part of this By-law.
3. **THAT** this By-law shall come into force and take effect on the day of passing.

Read a first, second and third time and finally passed this 15th day of April 2026.


Rodney Wood, Reeve


Sara Dinsdale, CAO/Clerk-Treasurer

THE CORPORATION OF THE TOWNSHIP OF HILTON

Schedule "A" to By-Law No. 1504-26

Subject: Tax Collection Policy
Source: By-law 1504-26
Date Approved: April 15, 2026
Resolution No.:

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*, S.O. 2001, c. 25, as amended. It supports the Township's financial stability while ensuring ratepayers are treated equitably and in compliance with legislative requirements.

1. DEFINITIONS

- 1.1** "Act" shall mean the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended.
- 1.2** "Arrears" shall mean any portion of property taxes that remain unpaid after the due date.
- 1.3** "Due Date" shall mean the date by which taxes must be paid to avoid penalty or interest.
- 1.4** "MPAC" shall mean the *Municipal Property Assessment Corporation*, which is responsible for determining assessed values for all property classes in Ontario and administering assessment appeals.
- 1.5** "Penalty and Interest" shall mean charges applied to unpaid taxes in accordance with Section 345 of the *Act*.
- 1.6** "Property Taxes" shall mean all taxes levied on real property under the authority of the *Act*, including local improvement charges and special area rates.
- 1.7** "Tax Roll" shall mean the official record of property assessments and taxes levied, maintained by the Township.
- 1.8** "Taxpayer" shall mean an individual, corporation, or entity liable for property taxes within the Township.

1.9 "Treasurer" shall mean the person appointed by Council as Treasurer or their designate.

1.10 "Township" shall mean the Corporation of the Township of Hilton.

2. LEGISLATIVE AUTHORITY

This policy is established under the authority of the *Municipal Act, 2001*.

Tax billing and collection process are governed primarily by Part X - Tax Collection (Sections 342-386), including but not limited to:

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

3.1 General Provisions

All tax bills shall be prepared and issued in accordance with Section 343 of the *Act*.

Pursuant to Subsection 343, tax bills shall be sent out at least 21 days prior to the first installment due date.

Failure to receive a tax bill does not relieve the taxpayer from responsibility for payment or from penalty and interest charges.

3.2 Interim Tax Billing

Interim tax bills are issued in February of each year in accordance with Section 317 of the *Act* and shall not exceed 50% of the prior year's total taxes.

The due date shall be established annually by by-law. The preferred due date is February 28, if this date falls on a weekend or statutory holiday, the deadline will move to the preceding business day. The due date may be amended by Council through applicable by-law.

3.3 Final Tax Billing

Final tax bills are issued in September and reflect the assessed value as returned on the assessment roll, the final tax levy approved by Council, less the interim tax bill.

The due date shall be set annually by by-law. The preferred due date is September 30, if this date falls on a weekend or statutory holiday, the deadline will move to the preceding business day. The due date may be amended by Council through applicable by-law.

4. SUPPLEMENTARY AND OMITTED BILLING

Supplementary and Omitted Assessment Rolls are provided by MPAC and billed in accordance with Section 341 of the *Act*. These represent new assessment from the construction of new buildings or improvements made to properties that were not captured through the roll returned by MPAC.

Relevant provisions of the *Assessment Act*:

- Section 33 – Omitted property (current year + 2 preceding years)
- Section 34 – Increased assessment after roll return (current year only)

Due dates shall be no less than 30 days from bill issuance.

5. APPLICATION OF PAYMENTS

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

5.1 Partial Payments

Partial payments that are received will be applied to the oldest outstanding charges in the following order:

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

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 an NSF fee, in accordance with the Township's current Fees and Charges By-law. Interest and penalty will continue to accrue on any unpaid balances.

5.3 Overpayments and Refunds

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. Refund requests must be submitted in writing. Refunds will be issued solely to the person or entity that made the original payment.

6. ACCEPTED PAYMENT METHODS

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

- Cash (in person)
- Cheque (including post-dated cheques payable to the Township)
- E-Transfer (sent to admin@hiltontownship.ca with answer to the security question emailed separately)
- Online banking

The following forms of payment are NOT accepted:

- Third-party cheques
- Credit cards
- Debit (Interact)

Payments made in American (USD) currency will be applied at the exchange rate on the date of deposit.

7. PAYMENT TIMING AND ALLOCATION

Payments must be received by the Township before 4:00 p.m. on the due date. In accordance with the *Act*, payments are applied upon receipt by the Treasurer. Payments are not applied based on the date they were sent, initiated, or postmarked. Payments made by mail, courier, or electronic methods are subject to delivery timelines and processing delays beyond the Township's control. As such, taxpayers

are strongly advised to allow sufficient time for payment to be received and processed prior to the due date.

Receipts will be issued upon request.

8. WRONG ACCOUNT PAYMENTS

It is the taxpayer's responsibility to ensure that all payments are correctly directed to the appropriate property roll number. The Township is not responsible for any penalties, interest, or delays that result from payments being applied incorrectly due to taxpayer errors. Requests for corrections are subject to the Treasurer's discretion. All requests must be submitted in writing and may require supporting documentation.

9. PERSONALIZED COLLECTION LETTERS

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

Where arrears remain unpaid and no Tax Payment Arrangement is in place, the Township may initiate tax sale registration in accordance with Section 373(1) of the *Act*. A property becomes eligible for tax sale registration if taxes remain unpaid as of January 1 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 Township and is not required by legislation.

10. TAX COLLECTION REMEDIES

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

10.1 Available Remedies

Penalty and Interest – As per Section 345 of the *Act*, a penalty and interest charge of 1.25% compounded monthly. This represents the maximum rate permitted under the *Act*.

Rent Attornment – As per Section 349 and 350 of the *Act*, where applicable, the Township may require tenants of a property in arrears to pay rent directly to the Township until taxes are paid in full. This remedy will be carefully considered prior to being imposed, as it may cause undue hardship for the property owner or disrupt tenancies. Use of this option will be at the discretion of the Treasurer.

Bailiff Action – As per Section 351 of the *Act*, where appropriate, the Township may pursue civil enforcement measures to recover unpaid taxes as a debt due to the Township. 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 leaseholds 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 and may require legal consultation.

Tax Arrears Certificate Registration – As per Section 373 of the *Act*, if property taxes remain unpaid as of January 1 in the second year following the year in which they became due, the Township may initiate the tax sale process under Part XI.

11. COLLECTION PROCESS

The Township follows a consistent and fair approach to tax collection in accordance with Part X and Part XI of the *Act*. 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 entering second-year arrears.

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 (5) days after mailing, unless returned as undeliverable.

It is the taxpayer’s responsibility to notify the Township of any change in mailing address pursuant to Subsection 343(6) of the *Act*.

11.3 Collection Letters

At the discretion of the Treasurer, 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 Tax Payment Arrangement.

11.4 Tax Registration

Properties with taxes owing for two (2) years become eligible for tax sale registration. The Township 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 Township may, at the discretion of the Treasurer, 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 Treasurer.
- The Township 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, pursuant to Section 345 of the Act.
- The Treasurer 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 Township may immediately resume collection activity, including tax registration, without further notice.
- Where a taxpayer has previously defaulted on a TPA, the Treasurer may refuse to enter into a new agreement unless a minimum 50% good faith payment toward the arrears is made up front.

12.4 Discretion and Authority

The Treasurer has full authority to:

- approve, decline, or amend TPAs;
- determine reasonable terms and conditions;
- monitor compliance; and
- terminate TPAs in the best interests of the Township.

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

A sample Tax Payment Arrangement (TPA) Agreement form is provided as Schedule "B" 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 *Act*, 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 *Act*
- Penalty and interest were applied in error due to a clerical or administrative error, such as:
 - Incorrect due date

- Failure to process an eligible adjustment in a timely manner; or
- 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 Township error. If a payment has been applied to the penalty and interest charge, then it cannot be cancelled.

13.2 Write-offs

Pursuant to Section 354 of the *Act*, 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 Treasurer and supported by appropriate documentation. Requests must be submitted within the same year the circumstance occurred.

14. REPORTING TO COUNCIL

The Treasurer may provide summary updates to Council regarding the general status of tax arrears at their discretion or upon request of Council. Such reports shall be presented in summary form only and shall not include any identifiable property-specific or personal information, in accordance with applicable privacy legislation.

15. NO WAIVER OF RIGHTS

Nothing in this Policy limits, restricts, or waives the Township's statutory rights under the *Municipal Act, 2001* or any other applicable legislation.

Failure by the Township to enforce any provision of this Policy, to exercise any available remedy, or to proceed with collection action at any time shall not be construed as a waiver of the Township's right to do so at a later day.

No act, omission, delay, or indulgence by the Township shall operate as a waiver of any tax, penalty, interest, remedy, or enforcement right available under statute or at law.

All taxes, penalties, and interest remain a lien on the property in accordance with Section 349 of the *Act* unless paid in full.

16. LEGISLATIVE UPDATES

The Tax Collection Policy will be reviewed and updated as required 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 Treasurer shall monitor legislative developments and ensure the policy reflects any relevant legislative changes.

Schedule "B" to By-Law No. 1504-26

Tax Payment Arrangement (TPA) Agreement Form

1. Property Information

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

2. Agreement Terms

1. Outstanding Tax Balance as of _____ : \$ _____
2. Monthly Payment Amount: \$ _____
3. Payment Due Date Each Month: _____
4. First Payment Due On: _____
5. Estimated Completion Date: _____
6. Payment Method (circle one): Cheque Online Banking E-Transfer Cash

3. Conditions of Agreement

- The taxpayer agrees to make regular monthly payments in accordance with the terms outlined above.
- Penalty and interest shall continue to accrue on the outstanding balance during the term of this agreement in accordance with the provisions of the Act.
- Failure to make a payment on or before the due date shall result in the immediate termination of this agreement without further notice.
- Upon default, the Township may proceed with collection enforcement, including but not limited to the registration of a Tax Arrears Certificate pursuant to Part XI of the *Municipal Act, 2001*.
- Where a taxpayer has previously defaulted on a TPA, the Township may 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 correctly directed to the appropriate property roll number.

4. Acknowledgement

I acknowledge and agree to the terms of this Tax Payment Arrangement and understand the consequences of non-compliance.

I further acknowledge that this arrangement is a courtesy extended by the Township and does not limit or waive the Township's rights under applicable legislation.

Taxpayer signature: _____ Date: _____

Witness signature: _____ Date: _____

Tax Collector Signature: _____ Date: _____

5. Termination Confirmation *(To be completed by the Treasurer, if applicable)*

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

- Payment Default Voluntary Cancellation Balance Paid in Full
 Other (specify): _____

Treasurer Signature: _____ Date: _____