



# The Corporation of the Town of Milton

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Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: April 13, 2026

Report No: ES-018-26

Subject: Tax and Assessment Base Management Policy Update

**Recommendation:** THAT the updated Tax and Assessment Base Management Policy (Policy No.111) that is attached as Appendix A be approved.

## EXECUTIVE SUMMARY

- The Tax and Assessment Base Management Policy No.111 ('the Policy') provides a framework for the effective and efficient collection of property taxes within the Town of Milton, as well as the Town's assessment review activities.
- The Policy is being updated to support the implementation of a new property tax system, the progress of which was most recently updated through report [ES-008-26](#).
- The key updates are summarized in the body of the report below and the proposed policy is attached in Appendix A. Many of the updates are administrative in nature, although several revise existing language to reflect service improvements that are possible through the new software that the Town is transitioning to.

## REPORT

### Background

In preparation for, and to support the transition to, the new property tax system outlined through report ES-008-26, Town staff have undertaken a review of the Policy. This review reflects opportunities presented by the new system, along with additional clarifications that have been identified for Council's consideration through this report.

### Discussion

Provided below is an overview of the recommended updates to the Policy. The updates are largely administrative in nature and include:

- Additional context was provided in sections 4.1.2 and 4.1.3 on the legislative minimum 21-day requirement for supplementary, omitted, and apportionment tax billings, compared to the Town's target of 30 days from the billing date.

## Discussion

- New language was also added in these sections to recognize the enhancement that the new property tax system enables supplementary, omitted, and apportionment tax billings exceeding \$200 to be payable in two installments, compared to a single installment historically.
- Through the new software, enrollment intake opportunities has been expanded throughout the year, save and except during the billing months of January and May for the monthly programs, or up to 10 days prior to due date for installment plans. This has been reflected in section 4.1.5.
- The addition of Terms and Conditions within Section 4.1.5 Pre-Authorized Tax Payment Plan (Autopay) Billing detailing program details, enrollment, cancellation, bank account changes and other charges or reductions.
- Clarification within Section 4.2.2 (Late Payment Charges), outlining the circumstances where penalty and interest may be waived or adjusted.
- Minor amendments and clarifications to the property tax arrears collection and public sale processes, primarily related to legislated terminology, timing, and payment arrangements.
- Clarification within Section 4.4.2 Multiple Dishonoured Payments for accounts enrolled in an autopay program.
- Addition of Section 4.4.8 Other Charges Added to the Tax Roll, pursuant to Section 398(2) of the Municipal Act, identifying the Town's role in the collection of unpaid fees and charges imposed by the Town, an upper-tier municipality, or a local board to be added to the tax roll and collected in the same manner as municipal taxes.
- Removal of tax policy provisions that are no longer legislatively required, including capping/phase-in parameters.
- Clarification regarding cheques issued in foreign currency and the associated payment implications.
- Minor amendments and clarifications to terminology related to the Assessment Roll Analyst functions, building permits/zoning changes, Requests for Reconsideration, and supplementary/omitted assessment reviews.
- Clarification of definitions for assessed value (assessment), assessment base, and property classification.

## Financial Impact

In alignment with the transition to a new tax system, the policy has been reviewed to incorporate system capabilities and identified clarifications or enhancements. A strong financial policy framework enables sound decision-making aligned with Council's strategic priorities and vision, while safeguarding the Town's assets and supporting efficient and sustainable service delivery.

The update to the policy has been undertaken using existing staff resources.



## **Appendix A - Taxation & Assessment Base Management Policy No.111**

**Approval Report/By-law Number:** ES-018-26  
**Approval Date:** April 15, 2026  
**Effective Date:** April 16, 2026

**Policy Statement:** The Taxation & Assessment Base Management Policy provides guidance to staff for the effective and efficient collection of property taxes on behalf of the Town of Milton (“the Town”), the Region of Halton (“the Region”), the school boards and the local Business Improvement Area. The Policy also directs the Town’s assessment review activities to help ensure the stability and accuracy of the assessment base.

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## 1. Policy Purpose

To establish the framework within which staff will manage the Town's assessment base, upon which property taxes are allocated, as well as to administer property tax collection services. These activities are essential to ensuring that the programs and services provided by the Town are funded in a sustainable, fair and efficient manner.

## 2. Guiding Principles & Objectives

- i. Property tax administration is highly legislated through both the *Municipal Act, 2001* and the *Assessment Act*. Compliance with these acts and associated regulations is of paramount importance.
- ii. Customer service is a central focus of staff, and the policies and procedures should provide timely, accessible, responsive and informative support for property owners throughout the assessment, billing and collection processes.
- iii. The Town will look to leverage technology to make the property tax collection process more convenient for property owners and more efficient to administer.
- iv. The Town will use a variety of mediums to communicate taxation and assessment matters with property owners.
- v. The Municipal Property Assessment Corporation (MPAC) has the responsibility for assessing and classifying all properties in Ontario in compliance with the *Assessment Act* and regulations set by the Province of Ontario ("the Province").
- vi. The Town's primary goal in its Assessment Base Management program is to ensure equity between property owners, resulting in a fair distribution of the cost of the Town's services.
- vii. The Region has the authority to establish tax policy at the municipal level in Halton. Town of Milton staff will collaborate with the Region and the other local municipalities in order to inform and implement those policies and communicate with the Province in matters related to taxation and assessment.
- viii. The Town of Milton encourages the prompt payment of property taxes and actively pursues the collection of such taxes in arrears.

## 3. Scope

This policy covers all aspects of the billing and collection of property taxes, and the management of the Town's assessment base. This policy excludes collection of Payments-In-Lieu of Taxes (PILTs) as this type of revenue is generated by various government bodies to compensate the local municipality by approximating the taxes that would be paid if the property was not exempt, and therefore follows different processes in various respects.

## 4. Policy

### 4.1 Property Tax Billing

#### 4.1.1 Regular Tax Billing

A levying by-law passed by Council is required in advance of either an interim or final tax billing. Interim tax billings are issued in or around January based on the assessment as per the Assessment Roll provided by MPAC multiplied by 50% of the previous year's tax rate.

Final tax billings are produced after the passing of the annual Town and Halton Region budgets and are based on tax rates established through a by-law from the budget requirements of the Town, the Region and the Ministry of Education. The billing will be calculated to produce a tax amount equal to the assessment multiplied by the appropriate rate, including all local improvement charges, business improvement area charges, and any special charges levied by the Town. The interim tax billing amount will be deducted from the total yearly amount calculated and any arrears outstanding in order to produce final billing installment amounts.

The tax bill will comply with the Standardized Tax Bill format as required under section 343(2) of the *Municipal Act, 2001*. Arrears are reflected in the first installment due date amount.

**Due Dates:** The first installment due date must be at least twenty-one (21) days after the date of mailing the tax bill in accordance with section 343(1) of the *Municipal Act, 2001*. Due dates will be clearly identified on the tax bill in accordance with the levying by-laws passed by Council.

Town of Milton due dates for payment of taxes are traditionally as follows:

Interim Bill: the last business day of February and April

Final Bill: the last business day of June and September

Where due dates are delayed as a result of factors beyond the Town's control, they shall then be set with regard to the notice provision above.

\*Should September 30 fall on a weekday, the due date shall be moved to the previous business day to accommodate bank closures due to the Federal National Truth and Reconciliation day.

#### 4.1.2 Supplementary/Omitted Tax Billing

MPAC regularly provides additional assessment data on properties necessitating a supplementary billing in accordance with section 341 of the *Municipal Act, 2001*. The Town will bill for these additional assessments as soon as practical after receipt of the supplementary assessment rolls from MPAC but not prior to the issuance of the final tax billing.

There are two sections of the *Assessment Act* that allow for assessment of property not included in the annual assessment roll. These deal with omissions and additions to the roll.

Section 33 of the *Assessment Act* allows for the assessment of property that has been omitted from the roll. Omitted assessments can be added for the current year and if applicable, for any part or all of the previous two (2) years.

Section 34 of the *Assessment Act* allows for the assessment of property that has increased in value due to an addition, renovation or construction during the current year. A supplementary assessment can also be issued when there has been a change in use since the return of the last revised roll. Supplementary assessments can be added for all or part of the current year.

**Due Dates:** Supplementary and omitted tax billings are legislated to be due a minimum of twenty-one (21) days after the date of the mailing. However, the Town will aim to provide a minimum of 30 days from the date of billing. These billings will be payable in two installments for bills greater than \$200.

#### 4.1.3 Apportionment of Land Tax Billing

Based on information supplied to the Town by MPAC, these billings will be processed in accordance with section 356 of the *Municipal Act, 2001*. The Manager, Taxation & Assessment is delegated the authority to establish and oversee the procedures to administer these adjustments.

Apportionments pertain to lands originally assessed as one parcel but due to severance and sale now require that property taxes previously levied and unpaid be apportioned to reflect the revised configuration and billed to the current owners.

Apportionment tax billings will be payable a minimum of twenty-one (21) days after the date of mailing of the Notice of Apportionment, however, the Town will aim to provide a minimum of 30 days from the date of billing. Billings will be payable in two installments for bills greater than \$200.

#### 4.1.4 Mortgage Company Tax Billing

A mortgage listing of roll numbers, taxes due and owing, and the installment due dates will be provided to each mortgage company in which written notification has been provided to the Town that they hold an interest in a particular property and are responsible for payment of property tax on behalf of their client.

This listing shall be provided in electronic format only and e-mailed a minimum of twenty-one (21) days prior to the due date, unless notified by the mortgage company that a hardcopy version of the listing is the preferred method of delivery, whereby it shall be delivered through Canada Post a minimum of twenty-one (21) days prior to the due date.

Where the mortgage company is responsible for payment of tax, property owners will not be issued an interim tax bill, however; will be provided a final tax bill annually, outlining the amount(s) invoiced to the respective mortgage lender for that year.

#### 4.1.5 Pre-Authorized Tax Payment Plan (Autopay) Billing

##### **Monthly Plans**

- a) **End of Month** - This plan provides twelve (12) withdrawals occurring on the last business day of each month from November through October
- b) **Mid-Month** - This plan provides twelve (12) withdrawals occurring on the 15<sup>th</sup> day of each month (moved to the next business day if the 15<sup>th</sup> falls on a weekend) each month from November through October.

- c) **Semi-Monthly** - This plan provides twenty four (24) withdrawals occurring on the 15<sup>th</sup> day of each month (moved to the next business day if the 15<sup>th</sup> falls on a weekend) and the last business day of each month from November through October

Enrollment will not be permitted in the months of May and January, as these are Final and Interim Billing months. All Autopay participants as of May annually, will be receiving a final tax bill outlining the amount of the upcoming withdrawals (June to May). Enrollment to join any of the monthly programs is permitted at any time other than the months noted above, as long as the timing adheres to the specified program withdrawal date. New enrollments will be receiving a notice outlining the upcoming monthly withdrawals up to the following May.

**Installment Plan** - This plan provides four (4) withdrawals occurring on the regular tax dues dates approved by Council annually. The enrollment deadline is **10 days** ahead of the February, April, June or September due date month the applicant is applying.

**Arrears plan** - This plan provides for monthly withdrawals of a fixed pre-determined amount that will clear the ratepayer's arrears, inclusive of current billings. Enrollment is permitted at any time throughout the year. Approval by tax staff is required. Further detail on this plan is provided in Section 4.3.3 below.

## Terms and Conditions

### 1) Program Enrollment

- Enrollment in the autopay programs, excluding the arrears program, must be completed through the online tax portal (Milton's Property Tax Portal).
- Where in-month enrollment is not possible due to the program withdrawal deadline having passed, enrollment will commence on the next available withdrawal date.
- Enrollment in the arrears program is not available through the online tax portal and must be completed through direct communication with Tax and Assessment staff.
- Paper applications for the autopay programs will only be accepted for extenuating circumstances at the discretion of the Manager, Taxation & Assessment. Submission of a fully completed form, including the selected autopay option will be required to obtain enrollment in an autopay program.

### 2) Program cancellation

- Residents are required to use Milton's online property tax portal to cancel enrolment in the autopay program a minimum of 10 days prior to the scheduled withdrawal date.
- Failure to provide the 10-day minimum cancellation notice may result in additional payment withdrawals which will be credited against future billings.

### 3) Bank account changes

- Residents are required to use Milton's online property tax portal to request bank account information changes for an autopay program and this will be submitted a minimum of 10 days prior to the scheduled withdrawal date.

### 4) Other Charges and reductions

- Any balances outstanding on the property tax account (inclusive of water charges, provincial offences, municipal charges added to tax) will be rolled into

the calculation and divided amongst the remaining autopay withdrawals of the current cycle. Excluding the arrears program, no interest will be applied in the calculation of withdrawal amounts for the regular autopay programs.

- Participants with two or more dishonored payments within a six-month period may be removed from the autopay program.
- Any administrative fees (NSF Fees) will be applied for dishonored payments as approved under the Town of Milton's User Fee By-law

#### 4.1.6 Delivery of Tax Bills

Sections 343(6)(6.1)(8) of the *Municipal Act, 2001* requires that property tax bills and notices are issued to the current owner(s) of the property and are mailed to the address of the property as shown on the tax roll unless the taxpayer advises the Town, in writing or through direction on Milton's Property Tax Portal (Tax Portal), of an alternate mailing address. The direction by the owner continues until it is revoked in writing by the owner or through the Tax Portal. Taxpayers are responsible to notify the Town of any changes to a mailing address. Failure to notify the Town of an address change in writing is not an error on behalf of the Town.

Regular tax bills will be delivered by Canada Post or sent electronically via the Tax Portal if the taxpayer has chosen to receive the tax bill in that manner.

Any bill or notice sent by mail is considered delivered to and received by the addressee unless the notice is returned by Canada Post and an error in the mailing address is evident. Bills delivered via the Tax Portal are considered delivered unless an evident error has been made by staff.

Section 343(1) of the *Municipal Act, 2001* requires tax billings to be post marked and mailed no less than twenty-one (21) calendar days prior to the due date. Where a mortgage company has provided notification to the Town that they hold an interest in a particular property and will be paying taxes on behalf of the assessed owner(s), section 4.1.4 of this policy will prevail.

## 4.2 Property Tax Collection

### 4.2.1 Method of Payment

Payment of property tax will be accepted in person at Town Hall, by mail, after hours drop box, through online banking, at a bank or financial institution, via auto-pay programs or through a third party credit card service provider. In person payment methods for property tax include cheque and debit only. Cash payments for tax at Town Hall is not permitted. The Manager, Taxation and Assessment is delegated the authority to add, remove or revise methods of payment as required.

Cheques are payable to the Corporation of the Town of Milton. Third party cheques and cheques written using foreign currency will not be accepted. In the event a foreign funds cheque is processed, it will be accepted at the exchange rate established by the Town's bank on the processing date.

#### 4.2.2 Late Payment charges

Section 345 of the *Municipal Act, 2001* sets out the provisions for imposing late payment charges. The rate at which penalty and interest is charged is set by municipal by-law. A penalty, established by by-law, is added on the first day of default following an installment due date. Interest, also established by by-law, is added on the first day of each month thereafter until paid. Penalty and interest will not be charged to monthly, semi-monthly nor installment plan autopay program participants in good standing. Penalty and Interest will not be compounded. Other charges may also be applied in accordance with the prevailing user fee by-law (example: the user fee associated with issuing an overdue tax notice).

Penalty and interest charges cannot be waived or adjusted with exception of the following circumstances:

- Where taxes are adjusted under sections 334, 354, 357, or 358 of the *Municipal Act, 2001*, such adjustments shall be limited to the portion attributable to the change in assessment.
- Where taxes are adjusted as a result of a change in assessment under the *Assessment Act*, the adjustment shall be limited to the portion attributable to the assessment change.
- Where penalty and/or interest were charged as a result of the Town's error or omission
- Where a taxpayer has paid their taxes on time but to the incorrect tax roll number, the reminder notice fee, penalty and/or interest can be waived, however a transfer fee will be charged in accordance with the prevailing user fee by-law.
- Where determined in the sole discretion of the Manager, Taxation and Assessment, or delegate, a one-time courtesy in a value that is typically equivalent to no more than one-month of penalty and interest may be waived where the following conditions are satisfied:
  - i. Where reminder notice fee, penalty and/or interest were charged on a tax account that has historically been in good standing and where the taxpayer has previously made payments on time; and
  - ii. Where reminder notice fee, penalty and/or interest were charged on a tax account where there is an extenuating circumstance provided by the ratepayer (Eg. family emergency; taxpayer health issue; hospitalization, etc.)

The amount of late payment charges cancelled is limited to the amount related to the tax reduction associated with a tax adjustment, change in assessment or Town's error or omission, or the one-time courtesy as described above.

#### 4.2.3 Application of Payment

In accordance with Section 347(1),(2) of the *Municipal Act, 2001*, property tax payments are applied first to the oldest year of outstanding penalty/interest, and when it is cleared, to the oldest year of outstanding taxes; payment is then applied to the next oldest year of outstanding penalty/interest, and when it is cleared, to the next oldest year of outstanding taxes, etc.

Credit will be given based on the business date that the payment is received by the Town, not the postmark date. For electronic payment, credit is given based on the day funds are received in the Town of Milton's bank account.

Partial payment will not be accepted on a tax account where a Tax Arrears Certificate has been registered against the property except where the Town has entered into an extension agreement.

Where a credit appears on the tax account as a result of a payment, or a payment is made in error against the account by the owner, it will be applied to subsequent installments not yet due in the current year. Only at the written request of the taxpayer, a refund may be generated in extenuating circumstances. A refund issuance user fee will be charged in accordance with the prevailing user fee by-law.

Section 341 of the *Municipal Act, 2001* provides that a municipality may apply refunds owing from appeal activity to an outstanding tax liability. The Town will apply any refund resulting from an appeal, request for reconsideration, or other legislative reduction first to the taxpayers account. A taxpayer may request in writing, a refund may be generated in extenuating circumstances for the balance of the remaining credit balance. A refund issuance user fee will not be charged in these circumstances.

### 4.3 Property Tax Arrears Collection

Property taxes are a secured special lien on land in priority to any other claim except a claim by the Crown. Property taxes may be recovered, with costs, as a debt due to the Town from the original owner and/or any subsequent owner of the property.

The ultimate resolution to clearing unpaid taxes is through Tax Sale. This authority is provided to municipalities per *Part XI* of the *Municipal Act, 2001*, wherein it sets out the process for the 'Sale of land for Tax Arrears'. Bill 68 has provided municipalities the authority to commence Tax Sale proceedings at such time that the property has accumulated the current and one (1) preceding year of tax arrears. The Town of Milton will continue to administer the Tax Sale process at such time that the property has accumulated the current plus any part of two or more years of tax arrears.

Prior to the commencement of Tax Sale proceedings the following series of collection steps will be undertaken:

#### 4.3.1 Year-end Statement of Tax

In January of each year, in accordance with tax legislation, a Year End Statement of Tax (Notice of Tax Arrears) is provided to all taxpayers who owed taxes as of December 31<sup>st</sup> of the preceding year. A Year-end Statement of Tax is not produced for balances of \$4.99 or less, as it is not cost efficient.

#### 4.3.2 Overdue Tax Notices

An Overdue Tax Notice may be sent to all taxpayers with an overdue amount equal to or greater than five (\$5.00) dollars during the months of March, May, July, August, October, November and December. A Overdue Tax Notice is not produced for balances of \$4.99 or less, as it is not cost efficient.

#### 4.3.3 Payment Arrangements (prior to Final Notice)

Staff may enter into payment arrangements or Arrears Plan at any time prior to the registration of a Tax Arrears Certificate. Payment arrangements inclusive of the Arrears Plan must include all tax arrears, current taxes, accruing estimates of future taxes and late payment charges and be sufficient to ensure payment in full is realized within a reasonable period of time. Late payment charges will continue to accrue during all such payment arrangements and Arrears Plans until full payment on the account has been made.

Authorization for extending payment terms is as follows:

STAFF LEVEL	MAXIMUM NEGOTIABLE PAYMENT ARRANGEMENT TERM		
	Residential	Non-Residential	Crown Tenant
Treasurer	>36 months	>36 months	>24 months
Manager	36 months	36 months	24 months
Supervisor	24 months	24 months	15 months
All other tax staff	18 months	18 months	N/A

Notwithstanding any such arrangements, no third party payments will be refused for payment on account (e.g payment from a mortgagee) prior to registration of the Tax Arrears Certificate.

Where acceptable payment arrangements have been negotiated, the onus remains on the ratepayer to follow through with the agreed upon terms. Only in instances where the property is approaching registration of the Tax Arrears Certificate will the arrangement be proactively monitored for compliance and follow-up by telephone or email/writing be conducted with the ratepayer.

#### 4.3.4 Second Year Tax Arrears

In or around October or November of each year, overdue notices containing warning language will be issued to all properties with outstanding taxes in current year (in full) plus any part of the second year of arrears.

#### 4.3.5 Third Year Tax Arrears (Final Notice Prior to Registration of the Tax Arrears Certificate)

In or around October or November of each year, a Final Notice containing formal final warning language will be issued to all properties with outstanding taxes in current year (in full) plus any part of the third year of arrears.

#### 4.3.6 Notice to Interested Parties

If a property owner fails to respond to the Final Notice Prior to registration of the Tax Arrears Certificate within the specified timeframe, a property title search is carried out by the Town in

order to identify all parties with a financial interest in the property. The identified parties, including the owner, are then notified by registered mail of the Tax Arrears.

The Notice to Interested Parties advises that the Town intends to proceed with a Tax Sale registration and provides interested parties with a minimum thirty (30) day opportunity to pay the arrears in order to protect their interest in the property.

#### 4.3.7 Notice of Intent by Secured Creditor and Notice of Intent to Enforce Security

A Notice of Intent by Secured Creditor that asks if the taxpayer is currently engaged in farming for commercial purposes and as required by the Farm Debt Mediation Act, must be sent a minimum of 15 business days in advance of the Tax Arrears Certificate registration.

Similarly, a Notice of Intention to Enforce a Security is also sent a minimum of 15 business days in advance of the Tax Arrears Certificate registration to ensure that the owner of the property has not filed for bankruptcy. Where the owner has indeed filed for bankruptcy, the Tax Sale process is halted and section 4.4.6 of this policy will prevail.

#### 4.3.8 Tax Arrears Certificate Registration

If all efforts have failed to collect the tax arrears, a Tax Arrears Certificate may be registered against title and the procedures according to Part XI, section 373 of the *Municipal Act* are followed. In brief,

- The Town sends a Notice of Registration of Tax Arrears Certificate to the property owner(s) and all interested parties.
- The property owner(s) or interested parties have one year from the date of registration in which to redeem the property for all taxes, interest and penalty outstanding, including any associated legal costs. This amount is identified as the Cancellation Price.
- If full payment is not received within 280 days of registration and an Extension Agreement is not in place, the Town will issue a Final Notice before Tender to the property owner(s) and all interested parties.
- If no response to the Final Notice before Tender is received, the one-year period has passed and no Extension Agreement has been entered into, the Town may proceed with a Public Sale.
- All costs incurred for collection to obtain information and/or collect tax arrears are payable by the property owner(s).

#### 4.3.9 Public Sale Extension Agreement

Subsection 378(1) of the *Municipal Act, 2001* provides that the Treasurer or delegate may enter into an Extension Agreement that extends the time in which the cancellation price is to be paid. An Extension Agreement must be entered into prior to the expiry of the redemption period (365 days after the registration of the Tax Arrears Certificate). An Extension Agreement may be entered into with the owner of the land, the spouse of the owner, a mortgagee or a tenant in occupation of the land.

#### 4.3.10 Transferring Title after the Public Sale

Sections 379(5)(a), (13) of the *Municipal Act, 2001* provide the Treasurer (or delegate) full authority to execute any and all necessary agreements and documents, inclusive of deed registration in the name of the successful purchaser or the vesting into the name of the municipality.

### 4.4 Property Tax Administration

#### 4.4.1 Minimum Balance Write-off

Any balance on account, as at December 31<sup>st</sup> of equal to or less than \$4.99 will automatically be written off as at December 31<sup>st</sup> each year, as it is uneconomical for the Town to pursue settlement of these amounts.

#### 4.4.2 Multiple Dishonored Payments

In the event that a property owner has two (2) returned payments within a six-month period, staff shall only accept payment by certified cheque, bank draft, online banking, or debit for a period of six (6) months following the date of the most recent returned item. The property will also be removed from the pre-authorized payment program, if applicable.

#### 4.4.3 Write-off of Taxes

In accordance with section 354 of the *Municipal Act, 2001* uncollectible taxes may be approved for write-off by Council on the recommendation of the Treasurer.

#### 4.4.4 Contaminated Property

Council approval is required for any Public Sale proceedings where it is suspected that a property is environmentally contaminated.

#### 4.4.5 Development Conditions

The Town will add conditions on application for items such as but not limited to: official plan amendments, rezoning requests, condominium exemption and land division under the committee of adjustments indicating that all property taxes levied against the property are paid before approval.

#### 4.4.6 Bankruptcy

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

#### 4.4.7 Discretion

In order to ensure that all taxpayers are treated fairly and equitably, the Manager, Taxation and Assessment or his/her designate, has the authority to exercise discretion in the application of this policy where unusual circumstances are apparent, provided such discretion is in accordance with all applicable legislation.

#### 4.4.8 Other Charges added to Tax Roll

Section 398 (2) of the Municipal Act allows for certain fees and charges imposed by the Town, upper-tier municipality or local board to be added to the tax roll for a property, and for those fees and charges to be collected in the same manner as municipal taxes. Eligible fees and charges include those related to the supply of a service or thing to the property, those for which all of the owners of the property are responsible for paying, or those otherwise allowed through legislation.

### 4.5 Tax Policy

Staff will participate as part of the Tax Team with Halton Region, Oakville, Burlington and Halton Hills in consultation in areas such as:

- Tax ratio setting
- Review of applicable tax classes and subclasses
- Provincial legislative changes
- Rebate and Deferral Programs

A report will be presented to Council annually outlining relevant policy changes with the applicable considerations to the Town.

### 4.6 Assessment Base Management (ABM)

#### 4.6.1 General

- i. The Town's ABM program will promote the equitable distribution of property taxes by establishing a systematic review process of the assessment values determined by MPAC, as well as undertaking targeted reviews.
- ii. Town staff will have the responsibility for establishing the work program required annually to maximize Town resources dedicated to ABM in this regard.

#### 4.6.2 Assessment Roll Analysis and Audit

- i. The annual Assessment Roll is legislated to return no later than the second Tuesday following December 1<sup>st</sup> and is delivered to the Town by MPAC. Once the Town has received the roll, Assessment staff undertake a comprehensive review of the following:
  - a. Reviewing properties that are significantly undervalued, erroneously overvalued, misclassified, or missing
  - b. Identifying and describing the change in CVA for each respective tax class and/or by property code;

- c. Ensuring previous year appeal settlements have been carried forward
- d. Large shifts in property assessment per tax class
- e. The status of exempted properties is appropriate
- f. PILT properties for classification, CVA and ownership
- g. Town owned properties for any anomalies in value or improper tax classification (possible taxable tenants)
- h. Assessment of newly created roll numbers
- i. Requests made to MPAC regarding updates have been actioned
- j. Ad-hoc reports as requested by management or Council

Where errors are identified, Assessment staff will submit a request to MPAC for review and correction. And where MPAC is unable to correct an error, Assessment staff may initiate an appeal on behalf of the Town, utilizing Section 40 of the *Assessment Act*.

#### 4.6.3 Assessment Review Board (ARB) Appeals

- i. The Town may launch property assessment appeals for reasons including but not limited to:
  - a. Plans of Subdivision that are registered in the year preceding the taxation year that have not been assessed as individual lots by MPAC before the Assessment Roll close for the current taxation year.
  - b. Properties that have incorrect tax classifications that would result in a different tax rate and/or value for the taxation year if the correct tax classification is applied.
  - c. The CVA of a property is too low due to incorrect factual information or due to a recent sale of the property.
  - d. MPAC indicating that an error in assessment cannot be resolved through a Request for Reconsideration, Minutes of Settlement at the ARB, or cannot be added through supplementary or omitted assessment.
  - e. A building permit that has not yet been assessed and is in the third year of having been completed and/or occupied.
  - f. Lands that have been reclassified through a zoning application, or are in the process of being developed.
  - g. Lands that cease to be farmed.
- ii. Each year, prior to the expiry of the Assessment Review Board appeal deadline of March 31<sup>st</sup> staff undertake a comprehensive review of the Town's annual Assessment Roll as prepared by MPAC.
- iii. The Treasurer's assessment appeal designate(s) will apprise Council of the Town initiated assessment appeals for the current taxation year, in a report following the appeal deadline.
- iv. In complex appeals, the ARB procedural requirements include the filing of 'Statement of Issues' by the appellant. MPAC and the municipality (if it intends to participate) are required to file a 'Statement of Response' that address the appellants concerns. In the event that the Town of Milton's position differs from MPAC, the Town of Milton may be required to participate and disclose evidence in the ARB proceedings.

#### 4.6.4 Building Permits and Zoning Changes

- i. In addition to the monthly permit file sent by the Planning Department to MPAC, assessment staff will identify occupied properties, high valued permits, unassessed

- permits, zoning changes and send them separately to MPAC for in year or year-end roll addition.
- ii. Staff will maintain electronic copies of the priority permit lists sent to MPAC for monitoring purposes.
  - iii. Staff will conduct periodic site inspections to identify completed new construction, the ceasing of farm operations and when required, will request MPAC to assess the new construction or change of land use for supplementary assessment.
  - iv.
  - i. **4.6.5 Supplementary/Omitted Assessment Review** Supplementary and Omitted assessments are created by MPAC to capture new or missing assessments on properties. Staff will monitor internal inventory files to ensure requests for supplemental assessment have been processed by MPAC.
  - ii. Staff will ensure exempt to taxable supplementary assessments are issued by MPAC when previously exempt properties are sold or leased to taxable entities.
  - iii. Staff will ensure supplementary assessments are correct and values are accurate.

#### 4.6.6 Review of Request for Reconsideration (RfR)

- i. RfR's are challenges to the assessment of a property filed by a property owner to MPAC. For any property with a Residential Tax (RT) component, this process is mandatory. Should the assessor determine that a change to the assessed value or tax classification is required, they will present the owner with a 'Minutes of Settlement' (MoS) document to be signed. Once returned, MPAC will forward a copy to the municipality for processing, at which time assessment staff will conduct a review as per the following:
  - a. Ensure that written reasons for the reduction accompany MoS when the assessment is reduced;
  - b. In the absence of a written explanation, contact MPAC for clarification;
  - c. Maintain an inventory of completed RfRs;
  - d. Review any sales associated with the property under review;
  - e. Confirm properties that gain exempt status are in legal use with the Licensing and Enforcement Division;
  - f. In the event that staff disagree with the MoS, the Town can file an 'Objection to the Agreement' with the ARB/MPAC by signing the back of the RfR. This objection constitutes an appeal to the ARB with the Town as the appellant.

#### 4.6.7 Monitor Assessment Growth

- i. Staff will utilize information provided by MPAC to calculate the year to date net assessment growth for use in the annual budget preparation process.
- ii. Staff will monitor building permit data to ensure proper supplementary assessments are issued by MPAC.

#### 4.6.8 Tax Appeal Applications (*Municipal Act, 2001* Sections 357,358,359)

- i. For applications filed under S.357(1)(f) Sickness and Poverty, and Unduly Burdensome, the Town of Milton has passed bylaw 071-2016 delegating the Assessment Review Board to respond accordingly, whether denying or approving applications.

- ii. For applications filed under S.357(1)(g) Repairs or Renovations to the land that prevented normal use for more than three months during the year, the refund amount for approved applications will be 30% of taxes paid, based on the notional value as returned by MPAC for the purposes of the application. Calculation:

<u>value of vacant area</u>	X	taxes levied on whole	X	<u>repair or renovation</u>	X	30% =	rebate
assessed value of "full occupied" classification		property for the year		number of days under			
				number of days in year			

- iii. For all other applications, Town staff have delegated authority to process and applicants will be notified by mail. Town staff may seek Council approval at their discretion.

4.6.9 Public Viewing of the Assessment Roll

- i. As per Section 39(2) of the *Assessment Act, 1990*, upon receiving the Assessment Roll for the municipality, the clerk shall make it available for inspection by the public during office hours only.
- ii. Assessment Roll information is not available over the telephone or via email.
- iii. Staff are to provide an area for the Public to view the Roll books.
- iv. In accordance with MPAC’s licensing agreement, no reproduction of Assessment Rolls such as photocopying, scanning, digital photos, video etc, shall be permitted.

**5. Roles and Responsibilities**

Individual(s)	Responsibilities
Province of Ontario  (the Province)	<p>The provincial government sets the policies and rules affecting property assessment and taxation in Ontario. It does this by creating legislation, called Provincial Statutes and also creates regulations, which are authorized under the Statutes. There are three ministries that play a role in assessment and tax policy.</p> <ul style="list-style-type: none"> <li><b>Ministry of Finance-</b> The principal ministry involved in setting assessment and tax policies is the Ministry of Finance. Under the <i>Fair Municipal Finance Act, 1997</i>, the Ministry created a new province-wide, current value assessment system, which also introduced new property classes. The Minister of Finance sets assessment policy and standards across the province and is responsible for Ontario’s Tax and Property Assessment Legislation</li> <li>The Minister of Finance is responsible for establishing the majority of the regulations governing reassessment and tax policy, such as Bill 35 introduced in the 2008 Ontario budget. This Ministry is also responsible for setting education tax rates for all property classes.</li> <li><b>Ministry of Municipal Affairs -</b> This ministry is responsible for establishing some of the regulations under the <i>Municipal Act</i> and the <i>Tenant Protection Act</i> associated with property tax policy. As</li> </ul>

	<p>the primary contact with municipalities, it deals more with the implementation of legislation and regulations</p> <ul style="list-style-type: none"> <li>• <b>Ministry of Education</b> - This ministry is responsible for establishing the deadlines for municipalities to pay their education tax installments. Although not responsible for setting the education tax rates, this Ministry is responsible for allocating the education taxes to the school boards</li> </ul>
<p>Municipal Property Assessment Corporation (MPAC)</p>	<p>MPAC, a not-for-profit corporation funded by all Ontario municipalities and accountable to the Province, is responsible for assessing all property in Ontario. MPAC carries out its activities in accordance with the provisions of the <i>Assessment Act</i>, as well as regulations issued under the Act by the Province of Ontario.</p>
<p>Region of Halton (the Region)</p>	<p>The upper-tier municipality is responsible for the creation of property tax policies throughout the Region of Halton. Although most property tax policies are set at the regional level, the Region works in co-operation with the local municipalities. Policy decisions include:</p> <ul style="list-style-type: none"> <li>i. tax ratio setting or delegation of tax ratio setting to the local municipalities</li> <li>ii. optional property classes</li> <li>iii. graduated tax rates for commercial and industrial classes of properties</li> <li>iv. phasing-in of property tax increases/decreases</li> <li>v. how to fund the mandated caps for multi-residential, commercial, industrial properties</li> <li>vi. charity and similar organizations rebate programs</li> <li>vii. low-income senior and disabled homeowners programs</li> </ul>
<p>Town of Milton (the Town)</p>	<p>Local municipalities are responsible for the following:</p> <ul style="list-style-type: none"> <li>i. tax ratio setting if delegated by the upper-tier municipality</li> <li>ii. administration of the property tax system, including billing, collection, and rebates of property taxes</li> <li>iii. taxpayer inquiries</li> <li>iv. adjustments to tax bill</li> <li>v. tax reduction/rebate for heritage properties (if adopted)</li> </ul>
<p>Assessment Review Board (ARB)</p>	<p>The ARB is an independent tribunal which is responsible for hearing property assessment appeals. It has the authority to change an assessed value. All parties to an appeal (property owner, MPAC and the municipality) can present evidence at an appeal hearing. The Board's decision is binding. If the result of either process changes an assessed value, the municipality will adjust the taxes for that property. The Town of Milton has delegated powers to the ARB to settle matters relating to tax relief for people in hardship (unduly burdensome provision)</p>

Town Council	<ul style="list-style-type: none"> <li>i. Pass by-laws pertaining to the collection of interim and final property taxes</li> <li>ii. Approve write-offs and/or reductions in accordance with the thresholds outlined in this policy</li> </ul>
Town Staff	The Manager, Taxation and Assessment is authorized to create, modify and monitor any procedures required in order to implement this policy

## 6. Policy Management

The Treasurer is delegated the authority to make administrative changes to this policy that may be required from time to time due to legislative changes, Council decisions, or if, in the opinion of the Treasurer, the amendments do not change the intent of the policy. Any changes made under this delegated authority shall be reported to Council on an annual basis.

## 7. Reporting

The Manager, Taxation and Assessment will provide Council with the following (but not limited to) reports on an annual basis:

- Tax Collection Summary and Trends
- Town Initiated Assessment appeals and Bylaw
- Assessment Review initiatives undertaken

## 8. Related Policies, By-laws, Regulations, and Legislation

- *Municipal Act, 2001*
- *Assessment Act*
- *Tenant Protection Act*
- Region of Halton by-laws
- Other Town of Milton Policies

## 9. Definitions

Apportionment of Land	The process of assigning land value (and allocation of outstanding taxes) from a larger piece of land into newly divided smaller parcels of land
Assessed Value (Assessment)	The value attributed to land and buildings by MPAC for the purpose of levying property tax
Assessment Act	The law that governs the way property is assessed in Ontario

Assessment Base	The total value of all properties as assessed by MPAC in the Town of Milton
Assessment Review Board (ARB)	An independent tribunal that hears assessment appeals. A decision made by the ARB is final unless a point of law is being disputed
Assessment Roll	An annual list of the assessed values of all properties in a municipality, which includes the name of the property owner or tenant, their address, the realty tax class and qualifier, size of the property and information on structures on the property if any. Assessment Rolls are delivered to a municipality at the end of the year preceding the taxation year
Business Day	A day of the week that does not fall on either a Provincial nor Federally declared holiday where Canada Postal services and Financial institutions are closed.
Cancellation Price	The amount owing equal to all tax arrears, together with all current taxes owing, late payment charges and costs incurred by the Town after the registration of a Tax Arrears Certificate under section 373 of the Municipal Act
Collection Costs	Represents all costs incurred by the Town 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
Current Value Assessment (CVA)	Is defined as the amount of money a property would realize if sold at arm's length by a willing seller to a willing buyer. To calculate a property's assessed value, MPAC analyzes market information from similar types of property in the vicinity.
Delegate(s)	Any person or persons upon whom the Town By-Law confers the duties and discretion associated with complaints filed with the Assessment Review Board (ARB) under sections 33, 34, 39.1,40 and or 40.1 of the <i>Act</i> .
Municipal Act	The statute governing how municipalities administer municipal services and collect taxes
Omitted Assessment	An assessment which has not been recorded on the assessment roll. When an omitted assessment is added to the assessment roll, property taxes can be collected for the current year and, if applicable, for any part or all of the previous two years.
Payment-in-lieu of Taxes	Payments made to municipalities by the provincial or federal government, where properties are exempt from property taxation.
Property Classification	The identification of a property or portion of, according to its use as set out in Ontario Regulation 282/98 of the <i>Assessment Act</i>

Roll Number	A unique 19-digit number used as an identifier for each property
Supplementary Assessment	An assessment made during a taxation year for an addition, renovation or new construction on a property. When a supplementary assessment is added to the Assessment Roll, additional property taxes can be collected for that portion of the current tax year that the supplementary addresses
Tax Arrears	Any portion of property taxes that remain unpaid after the date on which they are due
Tax Arrears Certificate	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 Town within one year of the registration of the certificate

## 10. History of the Policy

Last amended: April 11, 2022 (CORS-024-22)

Originally Approved: June 18, 2018 (CORS-041-18)

Previous Policies: This policy replaced the following former policies:

- Policy 110: Tax - Collection
- Policy 111: Tax - Installments
- Policy 112: Tax - Interest on Arrears
- Policy 113: Tax - Minimum Reductions
- Policy 114: Tax - Bills
- Policy 115: Tax - Assessment Roll Change
- Policy 116: Tax - Supplementary
- Policy 117: Tax - Assessment Adjustments
- Policy 153: Tax Reassessment