

Title: Tax Collection Policy

Number: FNCL-19-02

Approved By: City Council

Administered By: Finance Services

Effective Date: December 16, 2019

Revision Date(s): October 2025, November 2022

1.0 Purpose/Background

The purpose of this policy is to outline standardized processes that will ensure a transparent and efficient process for the billing and collection of Property Taxes.

2.0 Policy Statement

The Corporation of City of Oshawa ("City") collects Property Taxes from property owners on behalf of the City, the Regional Municipality of Durham ("Region"), and the area school boards ("School Board"). The City is responsible to ensure effective collection of Property Taxes in accordance with the Municipal Act, 2001, S.O. 2001, c. 25, as amended ("Municipal Act").

This policy is implemented in accordance with governing legislation and any difference between this policy and the governing legislation, the provisions of the governing legislation will prevail.

3.0 Scope/Application

This policy establishes all aspects of the collection process and identifies the responsibilities for tax billing and collection in accordance with:

- the City's budgetary and policy requirements;
- the City's Customer Service Standards;
- the City's By-laws;
- the Municipal Act;
- the Municipal Affairs Act, R.S.O. 1990, c. M.46, as amended;
- the Assessment Act, R.S.O. 1990, c. A. 31, as amended ("Assessment Act");
- the Education Act, R.S.O. 1990, c. E.2, as amended;
- the Farm Debt Mediation Act, S.C. 1997, c. 21, as amended ("Farm Debt Mediation Act"); and
- any new legislation pertaining to property tax collection.

This policy is written in compliance with the Municipal Act, S.O. 2001 c.25 related to Ontario Regulations made under said Act and applicable City by-laws, as may be amended from time to time.

4.0 Definitions

Assessment Act means the Assessment Act, R.S.O. 1990, c. A.31 as may be amended from time to time or its successor legislation.

Bailiff means an agent, duly appointed by the Province of Ontario under contract with the City to recover outstanding Property Taxes.

Cancellation Price means the amount equal to all the Tax Arrears owing at a given point in time in respect of land, together with all current real Property Taxes owing, including all Penalties and Interest and all levy and Collection Costs incurred by the City after the registration of a Tax Arrears certificate under section 373 of the Municipal Act.

Collection Costs means the total costs incurred by the City to obtain further information for collection purposes in compliance with the regulations during the Tax Sale Registration process. Costs include, but are not limited to, title search fees, corporate search fees, registered mail, administrative charges, legal costs, registration fees, tax sale and administration fees.

Due Date means the date that property tax bill (interim, final and supplementary) installments are due to be paid to the City and may also include pre-authorized tax payment plan due dates as outlined on the tax bills of property owners that have opted into those payment programs.

Extension Agreement means an agreement between the City and the ratepayer (or interested party) to extend the redemption period. This agreement pauses the Tax Sale Registration process.

Fees and Charges By-law means the City's Fees and Charges By-law 109-2024 as may be amended from time to time or its successor legislation.

Interest means the amount added to the unpaid levies from prior years in accordance with section 345 of the Municipal Act.

Municipal Act means the Municipal Act, 2002, S.O. 2002 c.25 as may be amended from time to time or its successor legislation.

Municipal Property Assessment Corporation or MPAC means the entity responsible for accurately assessing and classifying properties in Ontario in compliance with the Assessment Act and regulations set by the Government of Ontario.

Penalties means the amount added to the unpaid levies from current year in accordance with section 345 of the Municipal Act.

Property Taxes means the total amount of levies calculated for City, Region and School Board purposes and includes all amounts added to the tax roll as permitted by the Municipal Act. Property Taxes are calculated based on the current value assessment ("C.V.A.") determined by MPAC multiplied by the tax rate as determined by the City, the Region and the Minister of Finance in relation to education.

Tax Arrears means the unpaid Property Taxes that remain outstanding after the Due Date has passed.

Tax Arrears Certificate or T.A.C. means the instrument registered at the land registry office on a parcel register. Indicating that the described property will be sold by public tender if all Property Taxes are not paid to the City within one (1) year of the registration of the certificate.

Tax Sale Registration or T.S.R. means the process outlined in Part XI – Sale of Land for Tax Arrears of the Municipal Act requiring the City follow a legislated process for dealing with the sale of land for Tax Arrears.

Treasurer means the person appointed in accordance with Section 286 (1) of the Municipal Act who is responsible for handling all of the financial affairs of the municipality on behalf of and in the manner directed by the Council.

5.0 Responsibilities

1. The City's Manager and/or Supervisor of Taxation Services shall:

- a. ensure this policy remains in compliance with legislation;
- b. ensure City staff remain in compliance with this policy;
- c. assess overdue property tax accounts regularly to ensure tax collection processes are performed in accordance with this policy; and
- d. ensure, where appropriate, that the C.V.A. as determined by MPAC is correct.

2. Property owners shall:

- a. ensure, where appropriate, that the C.V.A. as determined by MPAC is correct;
- b. ensure their mailing address is correct;
- c. ensure the Property Taxes are paid by the Due Date; and
- d. ensure their property information on the assessment roll is correct with MPAC through www.aboutmyproperty.ca.

6.0 Practice/Procedures

6.1 Billing

Property Taxes will be billed by interim and final tax billings as established by the applicable City's Interim Tax Billing By-Law and Final Tax Billing By-Law annually and in accordance with the Municipal Act.

Property Tax bills will be mailed to the address of the Property Tax account as shown on the tax roll unless the ratepayer has submitted a written request to the City requesting an alternate address. Tax bills may be sent to the ratepayer electronically, through e-billing, by the City if the ratepayer has chosen to receive the tax bill in this manner in accordance with section 343 of the Municipal Act.

Bills will be sent by standard letter mail and are considered delivered to and received by the addressee unless the mailing is marked "Return to Sender" by Canada Post. Where Canada Post fails to deliver the tax bill to the property owner, the responsibility rests with the property owner to contact the City for a duplicate mailing by use of the City's Fees and Charges By-Law 109-2024, as amended, for the service. It is the property owner's responsibility to ensure the mailing address is correct on their tax account. Failure to notify the City of an address change in writing is not an error on behalf of the City.

Tax Accounts subscribed to the e-billing program are responsible for the correct and accurate email address maintenance in the e-billing system. Taxation Services will cancel the e-billing subscription where an e-bill is returned undeliverable. Property owners subscribed to the e-billing program are responsible for notifying the City's Taxation Services where an interim or final tax bill is not received in the months of January and May respectively.

Only interim and final tax bills will be issued through the e-billing program. Any other correspondence will be delivered through regular mail.

Legislative requirements surrounding tax billing assist with the processing of the tax collections. Despite all efforts made, if an error or omission in the form or substance of a tax bill occurs, it does not invalidate any proceedings for the recovery of taxes.

6.2 Mail Cycle

January	Interim Billing Notice of Intent to Realize on Security/Notice of Intent of Secured Creditor Notices
February	First Installment Due
March	Overdue Notice
April	Second Installment Due
May	Overdue Notice Final Billing
June	Third Installment Due (Residential)
July	Overdue Notice

August	Overdue Notice
September	Fourth Installment Due (Residential) Third Installment Due (Non-Residential)
October	Fourth Installment Due (Non-Residential) Overdue Notice
November	Pre-Authorized Tax Payment Plan – Interim Billing (next year) Overdue Notice Tax Sale Registration Risk Notice

Supplementary and omitted tax bills will be mailed according to the MPAC submission schedule.

6.3 Tax Bill Format – Section 344 of the Municipal Act

The City's tax billing will meet all requirements of the provincially legislated standard tax bill. Arrears are included in the first installment Due Date amount. Installment Due Dates will be indicated on the payment stubs.

Installments will also be established by the City's Interim Tax Billing By-Law and Final Tax Billing By-Law with two (2) installments for interim billing and two (2) installments for final billing.

6.4 Interim Billing - Section 316 of the Municipal Act

Interim billing is based on fifty percent (50%) of the annualized taxes of the property for the previous calendar year. This does not include local improvement or special charges levied. If taxes levied on a property were for only part of the previous year because of assessment changes, an amount shall be added to the tax account equal to the taxes that would have been charged on the property if the taxes had been levied for the entire year.

6.5 Final Billing – Section 343 of the Municipal Act

Final billing is based on phased-in assessment value for the current year as provided by MPAC, the tax rate applicable, local improvement charges and any special charges levied. Final tax bills are produced subsequent to the adoption of the annual municipal budget and are based on the rates established through the City's Final Tax Billing By-Law to meet the budget requirements of the City, the Region of Durham and the Minister of Finance for education.

6.6 Supplementary and Omitted Assessment Billing – Section 341 of the Municipal Act

Supplementary tax bills will be issued and mailed in the same manner as interim and final tax bills with the exception that it is a separate levy where a by-law is not required. The number of installments and Due Dates for the supplementary bills will be determined by the Manager, Taxation Services. Penalties and Interest charges will be assessed on supplementary taxes that are owing past their Due Date.

The two (2) sections of the Assessment Act allow for taxation of taxable property not included in the annual assessment roll. These (2) sections deal with omissions and additions to the tax roll:

- Section 33 of the Assessment Act allows for the taxation of real property that has been omitted from the return roll. The provision allows for taxation in the current year, plus a maximum of the two (2) preceding years; and
- Section 34 of the Assessment Act allows for the taxation of assessment that has increased in value or has been added after the return of the assessment roll. These taxes apply to the current year only.

6.7 Important Dates

Due Dates for the payment of Property Taxes are determined subsequent to the adoption of the annual municipal budget and the passing of the levying By-laws.

Pending fluctuations as a result of the budget process or other unforeseeable delays, tax billing Due Dates will normally be as follows:

- **Interim bill:** on the last business day in February and April as determined by the City's annual Interim Tax Billing By-Law; and
- **Final bill:** on the last business day in June and September for residential properties and the last business day in September and October for non-residential or mixed-use properties as determined by the City's annual Final Tax Billing By-Law.

6.8 Ownership Changes – Section 17(1) of the Assessment Act

The Provincial Land Registry System is the legal determinant of the ownership of land. The names of the owners on the property tax account must match the ownership registered at the Land Registry Office on the parcel register. The City requires the instrument (deed/transfer of land) registered at the Land Registry Office be submitted to the City's Taxation Services for processing changes including removing a name from ownership, changing a name on title or adding a name to ownership for all tax accounts.

A letter submitted by a law office does not contain all the pertinent information required for ownership changes to be processed. The City will process ownership changes as

contained on the instrument registered at the Land Registry Office. Property owners are to ensure the names and mailing address are correctly contained on this legislated document when completing the transaction with their lawyer. The property owner is responsible for ensuring that their tax account has the correct mailing address.

6.9 Severances/Consolidations – Section 356 of the Municipal Act

Property owners may apply for severances of their properties under the authority of the Planning Act, R.S.O.1990, c. P.13 (“Planning Act”). If granted by Planning Services, the assessment values must be split between all the parcels of land. As part of their legislated services, MPAC divides the assessment information.

Under the authority of section 356 of the Municipal Act, the City’s Treasurer may divide the assessment roll into the parcels being severed and direct the Property Taxes accordingly.

The City will not recalculate the Property Taxes for a partial year if land is sold. It is understood that the law offices would allocate the levies accordingly during the sale process. The allocation of levies will be shown on the “statement of adjustments” provided to the owners by the law office completing the title transfer.

Consolidations will be processed by MPAC based on the receipt of a written request of the property owner submitted to MPAC directly.

A severance or consolidation of a Land Registry Office parcel does not constitute a consolidation or severance of a tax roll.

6.10 Payments

Tax payments may be made in-person at a financial institution, using online or telephone banking, through pre- authorized payment plans, by mortgage companies (on behalf of a ratepayer) or at Oshawa City Hall located at 50 Centre Street South, Oshawa, Ontario, L1H 3Z7, through cash, debit card, cheques or post-dated cheques.

A payment is considered made once the funds have been received or acknowledged by the City. Online payments normally require three (3) to five (5) business days to process and property owners are responsible for allowing their financial institution processing time to submit the payment to the City. Property owners are responsible for any fees and charges that may be imposed when making payments.

Post-dated cheques will be accepted and held by the City’s Taxation Services until the date indicated on the cheque. Should the property owner request that the post-dated cheque not be processed, the property owner must contact the City in writing at least ten (10) business days prior to the date indicated on the cheque. In accordance with the Fees & Charges By-Law, an administrative fee will apply if such a request is received.

6.11 Pre-Authorized Payment Plans

The City offers three (3) pre-authorized tax payment plans (“P.T.P.”):

1. Installment Due Dates (Interim and Final);
2. Monthly – 1st or 15th of each month; and
3. Arrears Plan – Contact Taxation Services for more information and/or eligibility.

All P.T.P. applications must be received by November 1st in order to have withdrawals begin in January (interim billing) and by June 1st in order to have withdrawals start in July (final billing). All changes to P.T.P. applications must be submitted in writing ten (10) business days prior to the effective change. P.T.P. applicants must ensure their tax accounts have a zero balance to be eligible for the P.T.P. Failure to bring the tax account to a zero balance will result in the P.T.P. application being rejected from the tax account. Cancellation of P.T.P. must be received in writing ten (10) business days prior to the next scheduled withdraw date. Forms to apply to the program, make changes or stop payment will be made available to the public on the City's website.

Dishonored P.T.P. payments are treated in the same manner as other dishonored payments, with the same administration fees involved. Following the first failed attempt at a withdraw, a second attempt to withdraw the funds by the bank will occur within five (5) business days. If the second attempt at payment is rejected once again, it is treated as a dishonored payment. The financial institution may charge a dishonored payment fee for both failed attempts. The City will charge a fee in accordance with the Fees and Charges By-Law and issue a "Returned Payment Notification" to the property owner. The dishonored payment and administrative fee must be paid outside of the P.T.P. by the date noted on the "Returned Payment Notification". The tax account will automatically be removed from the P.T.P. when there are two (2) dishonored payments within a year.

Additional charges added to the tax account, if any, will not be automatically withdrawn from the bank account and payment for such charges must be remitted separately by the specified due date. Examples of additional charges may include unpaid invoices from other City business units, Region delinquent water and sewer charges and other collection matters as outlined in the Municipal Act.

Supplementary and omitted bills generated on tax accounts already on a P.T.P. will automatically be assigned withdrawal dates in alignment with the P.T.P. assigned to the tax account. The P.T.P. dates and withdrawal amounts will be contained on the supplementary and omitted bills issued to the property owner.

The P.T.P. follows the Canadian Payments Association Rule H1 regulations. Available online at <https://www.payments.ca/sites/default/files/h1eng.pdf>.

6.12 Dishonored Cheques

Cheque payments that are rejected and/or returned by any financial institution will be charged an administration fee as per the Fees and Charges By-Law.

6.13 Receipts/Proof of payment

Reproduction of documents and tax bills to support levy amounts will be charged an administration fee as per the Fees and Charges By-Law.

In the year of purchase/sale of a property, the City does not provide documentation since the law office completes the property tax allocation on the owner's behalf. The City is not involved in the allocation and is not privy to the details of the transfer. The property owner should use the statement of adjustments as provided by the law office retained for the purchase/sale of the property.

6.14 Application of Payments – Section 347 of the Municipal Act

Property tax payments are applied in accordance with legislation. The payment is first applied against any late payment charges according to the length of time the charges have been outstanding, with the charges that have been outstanding the longest being discharged first. The payment is then applied in the same manner against the Property Taxes owing, with the Property Taxes that have been outstanding the longest being discharged first.

Once a Tax Arrears Certificate has been registered on title against a property, partial payments are not accepted unless the property owner and the City have entered into an Extension Agreement. A partial payment received on a tax account with a T.A.C. registered will be returned or refunded if no Extension Agreement is in place.

6.15 Refunds/Overpayments

Tax account refund requests must be submitted in writing and be accompanied with proof of payment and the statement of adjustments from the law office completing the transfer, where applicable. Refunds are reviewed by Taxation Services staff and approved if all the eligibility criteria are met. Tax accounts with a balance owing will not be eligible for refunds. Property owners are encouraged to review their tax account prior to real estate transactions.

All levy adjustments and tax rebates processed during the year will be applied to outstanding levies. A refund may be requested in writing on property tax accounts with credit balances only.

6.16 Misapplied Payments

Erroneous payments made to a tax account require a written request to correct the payment application. These corrections are subject to an administrative fee in accordance with the Fees and Charges By-Law.

6.17 Late Payment Charges/Collection Costs – Section 345 of the Municipal Act

Tax Arrears are subject to late payment charges. Penalty and interest charges are imposed on unpaid levies on the first day of each month the levies remain unpaid. As long as the Property Taxes remain unpaid, penalties and interest will be added on the

first day of each month. Penalty and interest charges cannot be waived, except where a City error has occurred.

All Collection Costs incurred by the City to obtain information for collection purposes and/or collect Tax Arrears are payable by the property owner and are added to the tax account. Bailiff fees are charged and collected by the Bailiff directly, where applicable.

6.18 Tax Rolling – Municipal Act

Ontario legislation provides multiple provisions for the collection of delinquent receivables whose area of jurisdiction includes any part of the City. The following pieces of legislation contain provisions for tax rolling, often referred to as property tax liens or transfers to tax:

- Municipal Act, 2001, S.O. 2001, c.25
- Building Code Act, 1992, S.O. 1992, c. 23
- Clean Water Act, 2006, S.O. 2006, c. 22
- Development Charges Act, 1997, S.O. 1997, c. 27
- Drainage Act, R.S.O. 1990, c. D.17
- Environmental Protection Act, R.S.O. 1990, c. E.19
- Fire Protection and Prevention Act, 1997, S.O. 1997, c. 4
- Health Protection and Promotion Act, R.S.O. 1990, c. H.7
- Housing Development Act, R.S.O. 1990, c. H.18
- Lakes and Rivers Improvement Act, R.S.O. 1990, c. L.3
- Line Fences Act, R.S.O. 1990, c. L17
- Nutrient Management Act, 2002, S.O. 2002, c. 4
- Ontario Heritage Act, R.S.O. 1990, c. O.18
- Ontario Water Resources Act, R.S.O. 1990, c.).40
- Planning Act, R.S.O. 1990, c.P.13
- Safe Drinking Water Act, 2002, S.O. 2002, c. 32
- Shoreline Property Assistance Act, R.S.O. 1990, c. S.10
- Tile Drainage Act, R.S.O. 1990, c. T.8
- Weed Control Act, R. S.O. 1990, c. W.5.

Delinquent charges are transferred to property tax accounts in compliance with its applicable provision or City policy. The treatment of the transferred delinquent charge is deemed taxes and must adhere to its own legislated provision with regards to the priority lien status. Each delinquent charge added to the tax roll will be issued a Notice of Added Charge to the property owners which will provide an update on the tax account balance including the tax rolled item and the administrative fee as outlined in the Fees and Charges By-law.

Once an item is transferred to the property tax accounts, it is treated as Property Taxes for collection purposes.

6.19 Tax Arrears Collection

Property Taxes are a secured lien on the land and have priority over any other claim, except a claim by the Crown. Taxes may be recovered along with costs as a debt due to the City from the original owner and/or any subsequent owner of the property.

The City will primarily use the following methods to collect Tax Arrears: verbal communication, overdue notices/arrears notices, payment arrangements, issue notices to all interested parties, bailiff services and legal action, and the Tax Sale Registration process.

6.20 Collection Steps

1. Overdue Notice – Reminder notices are mailed to all property owners with an overdue amount that is within the determined threshold amount used during that tax year. The reminder notice threshold is \$199.99 for reminder notices generated up to October, where this amount may be decreased to a minimum of \$10.00.
2. Payment Arrangements – Payment arrangements 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. Late payment charges will continue to accrue during all such payment arrangements until full payment on the account.

Notwithstanding any such arrangements, third party payments will be accepted for payment on account (e.g. payment from a mortgage company).

If acceptable payment arrangements are negotiated, the account is monitored for compliance. Follow-up with the property owner is performed as required.

In addition to issuing arrears notices and reminder notices each year, the following actions will be taken once a residential property owner is two (2) years in arrears:

1. Notice of Intent to Realize on Security – A secured creditor, under section 21 of the Farm Debt Mediation Act, requires the City to serve a farmer with a Notice of Intent to Realize on Security before taking legal action to recover debts.

A Notice of Intent to Realize on Security grants a fifteen (15) day waiting period where the farmer may choose to apply to the Farm Debt Mediation Service. The City is obliged to send the Notice of Intent to Realize on Security in the event that the property owner may own or operate land that is farmed anywhere in Canada. Through the Farm Debt Mediation Service, a property owner may have the right to apply for a stay of proceedings, during which time creditors may not begin or continue recovery or seizure actions against the property owner's assets;

2. Final Notice Prior to Tax Sale Registration – These notices are mailed to those residential property owners approaching two (2) years of property Tax Arrears.

This notice urges property owners to take action, by either making full payment of the taxes or negotiate suitable payment arrangements with the City;

3. Notice to Interested Parties – If a property owner fails to respond to the Final Notice Prior to Tax Sale Registration, a property title search is carried out by the City in order to identify all parties with a financial interest in the property. The Notice to Interested Parties advises of the Tax Arrears outstanding and that the City intends to proceed with a municipal tax sale. The interested parties have an opportunity to pay the arrears in order to protect their interest in the property.
4. Tax Arrears Certificate Registration – Municipal tax sale proceedings can begin once taxes have been in arrears for at least two (2) years. Once all other collection efforts have been exhausted, no payment agreements have been negotiated and the City still has been unable to secure payment of the Tax Arrears, the City will start the Tax Sale Registration process by registering the Tax Arrears Certificate on the parcel register at the Land Registry Office.

If full payment is not received within two hundred and eighty (280) days of the Tax Arrears Certificate registration, the City issues a final notice to the property owner(s) and all interested parties within thirty (30) days after the expiry of the two hundred and eighty (280) day period. This final notice specifies the date on which the property will be advertised for public tender if the Tax Arrears remain unpaid or an Extension Agreement is not negotiated.

Once a Tax Arrears Certificate has been registered, only full payment of the Cancellation Price will be accepted unless an Extension Agreement has been negotiated. Full payment will be accepted up to the date of transfer of the property following a sale. In the event of non-payment, the City will proceed with a municipal tax sale.

6.21 Cancellations and Write Offs

Penalties and interest are cancelled only in the following circumstances:

- Taxes are adjusted under the following sections of the Municipal Act:
 - Section 334 – Application for Cancellation,
 - Section 354 – Write-off of taxes,
 - Section 357 – Cancellation, reduction or refund of taxes, and
 - Section 358 – Overcharges.
- Taxes are adjusted following a change in assessment under the Assessment Act; or
- Penalty and/or Interest were charged as a result of the City's error or omission.

The amount of late payment charges cancelled is limited to the amount related to the tax reduction associated with the tax adjustment. This includes processing time once adjustment information is received by the City, gross manifest errors or omissions by the City.

6.22 Minimum Balance Write Off

A balance owing of \$4.99 or less on an account after payments are received for the month will automatically be written off on the last business day of each month.

6.23 Treasurer's Write Off

In accordance with section 354 of the Municipal Act, the Treasurer may approve uncollectible taxes for write-off.

6.24 Bankruptcy

When a property owner files for bankruptcy, the City is a secured creditor, as the tax debt is a charge against the real property. The City 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 City's claim and that it is assumed Property Taxes will be paid once the property is sold.

6.25 Discretion

In order to ensure that all taxpayers are treated fairly and equitably, the Treasurer or their 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.

7.0 Monitoring/Review

This policy shall be reviewed annually and updated as necessary by the City.

8.0 References

City of Oshawa – Property Tax website

Municipal Property Assessment Corporation website
<https://www.mpac.ca/>

Municipal Act
<https://www.ontario.ca/laws/statute/01m25>

Assessment Act
<https://www.ontario.ca/laws/statute/90a31>

Farm Debt Mediation Act
<http://laws-lois.justice.gc.ca/eng/regulations/SOR-98-168/page-1.html>

Ministry of Municipal Affairs and Housing
<http://www.mah.gov.on.ca/Page10240.aspx>

9.0 Approval

Authority Council	Date October 27, 2025	Signature 	
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