

Town of Greater Napanee Tax Collection Policy



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Department:	Finance	Contact:	Treasurer
Approval Authority:	Council	Policy No:	FN-2026-06

1. Introduction

The Town of Greater Napanee shall ensure proper and consistent billing and collection of property taxes. The policy will ensure prompt, consistent and effective billing and collection of realty tax in accordance with applicable Provincial Legislation and Town By-Laws.

2. Purpose

The purpose of this policy is to establish the responsibilities, internal controls, authorizations and procedures ensuring timely, accurate and efficient preparation and collection of property taxes.

3. Scope

This policy applies universally to Town Council, Staff and Taxpayers, or their agents, with respect to tax billing and collection.

4. Definitions

Assessment – The assessment for real property made under the *Assessment Act* according to the last returned assessment roll.

Change Event – The assessment change resulting from: Minutes of Settlement (MOS) resulting from Requests for Reconsideration (RFR) and Assessment Review Board (ARB) Appeal Decisions; Section 357/358/359 Application Decisions; Vacancy and Charity Rebates; assessor’s Reports; Post Roll Amended Notices (PRANs); Advisory Notices of Adjustment (ANAs); Servance/ Consolidation Apportionments (SCIFs) and Condominium Plan Information Forms; and, other assessment change documents issued by the Municipal Property Assessment Corporation (MPAC).

MPAC - the Municipal Property Assessment Corporation (MPAC) which is responsible for determining the assessed value of all classes of assessment in the Province of Ontario. MPAC administers all phases of property assessment including appeals of assessment.

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

Tax or Realty Tax or Property Tax – Taxes which are levied upon the whole of the assessment for real property, and **Supplementary Tax** means tax calculated as a result of supplementary and/or omitted assessment rolls received during a year from MPAC

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

Taxpayer – a person whose name is shown on the tax roll as a property owner.

Tax Sale – the sale of land for Tax Arrears according to the proceedings prescribed under the municipal Act, S.O. 201, c25 and O. Reg 181/03 Municipal Tax Sale Rules, as amended by Ontario Regulation 571/17.

Town – The Corporation of the Town of Greater Napanee

5. Responsibilities

5.1. Town Council

Council is responsible for:

- a) Approval of the policy and any amendments.

5.2 Treasurer

Responsibility and authority is delegated to the Treasurer to:

- a) Perform the administration, training and implementation of this policy;
- b) Direct the review of this policy at a minimum every four (4) years and recommend updates as required;
- c) Undertake actions related to tax accounts and assessments as defined within this policy and/or the Town’s Delegation of Authority By-law; and
- d) Make account adjustments in accordance with this policy.

5.3 Deputy Treasurer

Responsibility and authority is delegated to the Deputy Treasurer to:

- a) Communicate and provide on-going support on the use of this Policy; and

- b) Undertake actions related to tax accounts and assessments as defined within this policy and/or the Town's Delegation of Authority By-law.

5.4 General Managers, Directors and Managers

Management staff are responsible for:

- a) Facilitating compliance with this Policy; and
- b) Reporting to the Treasurer any suspected noncompliance of this policy

5.5 Employees

- a) Become familiar with and comply with this Policy
- b) Report to management any suspected noncompliance of this policy

6. Procedure

a) Tax Billing

- a) Tax levying By-Laws passed by Council are required in advance of Interim and Annual Tax Billings.

The Municipal Act Section 307,317

- b) Interim Tax Billings will be produced in January based on 50% of the annualized taxes of the property for the previous calendar year. The tax billing may include local improvement charges, area charges, business improvement area charges and any special charges levied by the Town or Province. Outstanding charges authorized by legislation may be added to the interim billing at one hundred percent. The tax billing will clearly identify that it is from the Town of Greater Napanee, include the owner names, mailing address and legal description of property, the due date, the percentage used to calculate the interim taxes up at a maximum of 50%, and calculated taxes levied and any arrears owing against the property.

The Municipal Act Section 317

- c) Annual Tax Billings are produced subsequent to the adoption of the annual Town budget, not later than June 30th and are based on tax rates established by by-law from the budget requirements of the Town, The County of Lennox and Addington, and the Ministry of Finance (in relation to Education tax rate). The tax billing will be calculated to produce a tax billing equal to the phased-in assessment according to the returned assessment roll for the year and the appropriate tax rate, and will include all local improvement charges, area charges, business improvement area charges, Bill 140 capping/clawback amounts, any special charges levied by the Town of Province. Contents of the tax bill are legislated. *The Municipal Act Section 343,344*

- d) Supplement Tax Billings are produced as soon as practicable after receipt of supplementary or omitted assessment rolls from MPAC.

The Municipal Act 341

- e) Assessment Change Event tax credit notices are produced as soon as practicable after receipt of the documentation from MPAC. Applicable credits will be applied to the tax roll. Net credits may be refunded to the property owners upon written request. Otherwise, the credit will remain on the tax roll account to carry forward to future taxation.

The Municipal Act Section 341,356

- f) Tax Bills will be mailed not later than twenty-one calendar days before the date of the first instalment due date.

The Municipal Act 343

- g) Tax bills may be sent to taxpayers via electronic mail “ebilling” upon implementation of an ebilling system by the Town and with authorization from the taxpayer through registration on the ebilling platform.

The Municipal Act Section 343(6.1)

- h) Arrears are included solely on the first installment due date amount. Installment due dates will be indicated on the payment stubs.

- i) Amounts added to the tax roll under the authority of legislation are payable and collectable in the same manner as municipal taxes.

- j) Tax bills will be sent to the taxpayer’s residence or business or to the premises of the property unless the taxpayer directs in writing that the bill should be sent to another address. Updates to taxpayer information (name, mailing address, contact information) must be in writing. Failure to receive a tax bill does not excuse a taxpayer from the responsibility for payment of taxes nor relieve the owner of the liability for the penalty and interest accrued as per section 6.5 of this policy.

The Municipal Act Section 343(6)

- k) Any tax bill, arrears notice, or other related correspondence sent by regular mail, is considered delivered to and received by the addressee unless the notice is returned by the post office or an error in the mailing address is proven by the taxpayer.

- l) A fee is applicable for tax bill reprints in accordance with the Town’s Fees and Charges by-law.

b) Due Dates *The Municipal Act Section 342*

- a) Instalments and due dates for payment of taxes will be as follows:

- Interim Tax Bill: Two instalments, due respectively on the last Friday in the months of February and April
- Final (Annual) Tax Bill: Two instalments, due respectively on the last Friday in the months of June and September
- Supplemental Tax Bill(s): Two instalments, due a minimum of 21 days after mail-out and the second due date not less than one month after the first due date, where feasible.

- b) The specific due dates will be identified in both the Interim and Annual Tax Levy By-laws passed annually.

c) **Options for Payment of Taxes** *The Municipal Act Section 342,346*

Tax payments payable to the Town of Greater Napanee in Canadian fund will be accepted by the Town as follows:

- a) **In Person** at the reception desk of the Town of Greater Napanee administration office, 99A Advance Ave, Napanee ON. Office hours are Monday to Friday 9:00am to 4:00pm. Payments by cash, cheque or direct debit is available. A mail drop box for after hours payment by cheque is located by the west doors of the administration office.
- b) **By mail or courier** by sending a cheque or postdated cheque for each instalment to the Town of Greater Napanee 99A Advance Ave, Napanee ON K7R 3Y5.
- c) **Via Financial Institution (Bank)** in person at branch, or through telephone or internet online banking. Payments through this method typically take approximately three days to be received by the Town.
- d) **Through mortgage companies** who provide a service to pay property taxes as part of the taxpayer's monthly mortgage instalment
- e) **Payment by pre-authorized bank withdrawal:** taxpayers with no outstanding taxes may enrol in one of three pre-authorized payment plans (PAP) by completing and submitting a PAP application along with a cheque marked VOID, or direct withdrawal banking information.
 - I. Plan #1 – Monthly Pre-Authorized Payment Plan, due on the 15th of the month: January – June payments are based on 50% of the previous years tax levy. July – December payments are adjusted to reflect any change in the current year's total levy. Final tax bills will include adjusted monthly payments for July through December. Payment will be withdrawn on the 15th of the month or the first business day thereafter. Taxpayers on this plan will not receive an interim tax bill.
 - II. Plan #2 – Monthly Pre-Authorized Payment Plan, due on the 30th of the month: January – June payments are based on 50% of the previous years tax levy. July – December payments are adjusted to reflect any change in the current year's total levy. Final tax bills will include adjusted monthly payments for July through December. Payment will be withdrawn on the 30th of the month or the first business day thereafter. Taxpayers on this plan will not receive an interim tax bill.
 - III. Plan #3 – Instalment Payment Plan: Interim and Final instalments are withdrawn on each regular instalment due date. Tax bills are mailed indicating instalment due dates and amounts.
 - IV. To cancel the pre-authorization on a tax account, taxpayers

must submit a written request seven days before the monthly payment or a scheduled due date is applicable.

- V. Payment by established pre-authorization is not applicable to Supplementary Taxation.
- VI. Pre-authorized payments dishonoured by the financial institution will be subject to returned cheque fees as established by the Town's Fees and Charges bylaw. After two dishonoured payments, the pre-authorization may be taken off the roll account until the account is brought up to date.

d) **Payment Application** *The Municipal Act Section 347*

- a) Tax payments will be applied first against late payment charges owing in respect of those taxes according to the length of time the charges have owed, with the charges imposed earlier being discharged before charges imposed later. Then the payment will be applied against the taxes owing according to the length of time they have been owed, with the taxes imposed earlier being discharged before taxes imposed later.
- b) A partial payment on account of taxes may be applied in a manner different than set out in 6.4.1 at the written request of the person making the payment upon approval by the Treasurer.
- c) Any credit balance on a tax account resulting from payment errors, duplicate payments overpayments or credit adjustments remain as a credit on the tax roll account, unless a written refund request of submitted. A processing fee for a refund cheques may be applicable as per the Town's fees and charges bylaw.

e) **Late Payment and Returned Cheque Charges** *The Municipal Act Section 345*

- a) **Penalty and Interest Late Payment Charges:** A penalty at the rate of 1.25% shall be applied no later than the 4th business day of the month following the month in which the taxes were due and interest shall be charged at the rate of 1.25% no later than the 4th business days of each month thereafter on the balance of unpaid taxes in accordance with Town Interim and Annual tax By-laws. Failure to receive a tax bill does not excuse a Taxpayer for the responsibility for payment of taxes nor relieve the owner of the liability for the penalty and interest accrued.
- b) **Returned Cheque Charge:** An amount will be charged to Taxpayers for payments returned by the financial institution due to non-sufficient funds according to the Town Fees and Charges By-law.
- c) Penalty and interest late payment charges may be adjusted and/or

waived in the following circumstances:

- I. Upon a reduction due to a Change Event. The adjustment will be calculated on the amount of the reduction only and not the total amount of taxes in arrears.
- II. If charges were as a result of Town staff error or omission
- III. At the discretion of the Treasurer with respect to amounts under \$50 for new owners of property Taxpayers and other such 'good faith' adjustments.
- IV. When, in the opinion of the Treasurer, extenuating circumstances justify such an adjustment. All decisions shall be made in accordance with this Policy and any applicable legislation.

7 Collection of Tax Arrears

- a) Reminder Notices By Mail: Notice of Property Tax Arrears will be mailed to taxpayers in default of payment the month following the second instalment due date of final tax bills. Additionally, both interim and final tax bills will show past due balances.
- b) Payment Arrangements: A reasonable payment arrangement will be accepted by the Municipality if the payment arrangement ensures that all tax arrears, current taxes, accruing estimates of future taxes and penalties and interest will be paid in full within a reasonable period of time. Penalties and interest will continue to accrue during all such payment arrangements until full payment on the account has been made
- c) Collection through Tax Registration/Tax Sale Procedures *The Municipal Act Part XI*
 - a) Properties that are in arrears for two years are eligible for tax registration; however, the Town's procedure at this time is to only register properties that are three years in arrears.
 - b) A letter informing property owners of potential tax sale registration will be sent in advance of initiating procedures. The letter will indicate the deadlines, not less than twenty one days after the date of the letter by which payment arrangements suitable to the Treasurer are made.
 - c) Once tax registration procedures have commenced, the property owner or interested party has one year from the date of registration in which to redeem the property by paying the 'Cancellation Price' which includes all taxes, penalty and penalty outstanding, including all associated legal and administrative fees and costs.
 - d) If the 'Cancellation Price' is not paid, the property will be advertised for sale by tender or auction according to legislated procedures.
 - e) The Town's solicitor or a contracted tax registration firm may be used to process the required statutory notices/declarations. The charges by the third party firm for completing the required statutory notices/declarations will be added to the tax roll.
 - f) The Treasurer and/or Deputy Treasurer has the authority to approve

extension agreements for tax arrears.
The Municipal Act Section 378

8 Tax Write-Offs

- a) The Treasurer may write off taxes in accordance with the provision of Section 354 of the Municipal Act, up to a maximum of \$5,000 per assessment roll per taxation year.

9 Tax Certificates and Tax Information

- a) Tax Certificates will be issued to taxpayers, their solicitors or mortgages, or other requestors upon written request and the submission of the requisite fee according to the Town's Fees and Charges By-Law
- b) Standard tax certificates will be issued within 5-7 business days after payment for the service is provided
- c) Expediated tax certificates will be issued within 1-2 business days of the payment for the service being provided
- d) Tax information may be given verbally by staff to Taxpayers or their solicitors or mortgagees, however errors and omissions in verbal information are excluded; tax status may only be confirmed via tax certificate.

10 Enforcement

- a) The administration, enforcement of, and compliance with the policy is assigned to the Municipal Treasurer.

11 Related Documents

- Part VIII – XI of the *Municipal Act, 2001*
- O. Reg 181/03 – Municipal Tax Sales Rules
- Delegation of Authority By-law No. 2026-0031

Revision History

Date	Number	Description
	FN-2026-XX	NEW