

Staff Report

Report To: Corporate Services Committee
Report From: Crystal Moffatt, Tax Collector
Meeting Date: Tax Billing and Collection Policy AF020
Report Code: CR-26-044
Subject: Revised Tax Billing and Collection Policy

Recommendations:

THAT in consideration of Staff Report CR-26-044 respecting the Revised Tax Billing and Collection Policy, the Corporate Services Committee recommends that City Council direct staff to bring forward by-laws to:

1. Adopt Tax Billing and Collection Policy No. AF020;
2. Repeal Tax Collection Policy No. FS19;
3. Repeal Property Tax Pre-Authorized Debit Plans By-law No. 2013-094; and
4. Amend By-law No. 2026-041, "Tax Policy By-law" respecting the method of pre-authorized tax payments for final billing to reference Policy AF020.

Highlights:

- The Tax Billing and Collection Policy is reviewed every five years to align with current legislation, municipal best practices, and support efficient tax administration and continuous improvement in customer service.
- The revised Tax Billing and Collection Policy provides a more comprehensive and detailed framework for billing and collection practices.
- The updated policy improves transparency and consistency in how tax billing and collections are administered.

- Amending the Tax Policy By-Law to reference Policy AF020 will enhance clarity and consistency in the administration of pre-authorized tax payment plans for final billing.

Vision 2050 - Strategic Plan Alignment:

[Strategic Plan](#) Priority: The recommendation contributes to core service delivery or a corporate initiative that enables service delivery for one or more strategic priorities.

Previous Report/Authority:

The Municipal Act, 2001

Background:

The COVID-19 pandemic and subsequent staffing changes delayed the formal review of Policy FS19. During this period, more flexible and informal collection practices were implemented to better support ratepayers. These measures included increased discretion in payment arrangements, enhanced communication efforts, and a more responsive approach to individual financial circumstances, ensuring residents were supported during a time of economic uncertainty while maintaining the integrity of the City's tax collection processes.

With the introduction of a formal five-year review cycle, the Tax Billing and Collection Policy is now regularly reviewed to ensure alignment with current legislative requirements, reflect operational practices, and support effective, equitable, and transparent tax administration. Procedures are in place to manage billing, arrears, and enforcement, and are administered in accordance with the provisions of the Municipal Act.

This policy was developed in accordance with current municipal legislation under the Municipal Act and incorporates research and benchmarking from similarly sized municipalities to align with established best practices. A review of internal processes and operational requirements was also undertaken to ensure the policy reflects current practices, meets service delivery expectations, and provides a consistent and defensible framework for tax billing and collection activities, ultimately supporting clarity, accountability, and confidence in the City's administration of property taxation.

Analysis and Options:

The revised Tax Billing and Collection Policy will continue to support the prompt, effective, and efficient collection of all property taxes due to the City, while promoting fair and equitable treatment of all ratepayers.

Key elements of the policy include:

- Comprehensive property tax collection processes, including payment methods, pre-authorized payment plans, application of payments, interest and penalty administration, and other measures necessary for the effective enforcement of tax collection.
- Clear direction for the billing and issuance of property tax notices, including interim and final billings, supplementary and omitted assessments, and associated timelines.
- Standardized processes for managing tax arrears, including the issuance of reminders and notices, and the escalation of collection actions in accordance with applicable legislation.
- Provisions outlining enforcement mechanisms, including tax registration, tax sale proceedings, and other recovery actions as permitted under the Municipal Act.
- Defined roles and responsibilities to support the consistent and equitable administration of property tax billing and collection activities.
- Provides staff with clear direction and authority to act within an established framework, establishing consistent procedures for billing, collection, and enforcement so that decisions are applied fairly and in accordance with legislation. This clarity supports efficient operations, reduces uncertainty, and enables staff to respond confidently to ratepayer inquiries and complex situations.
- From a ratepayer perspective, the policy enhances transparency and accountability in the City's billing and collection practices, establishes clear expectations for service delivery, and improves access to information.

2026 Tax Policy Impact

The Tax Policy By-law outlines the permitted methods of pre-authorized tax payment for final tax billing through By-law No. 2013-094; however, the Tax Policy By-law does not reference Policy AF020, which now provides the detailed administrative framework for the City's pre-authorized payment

plans. As such, By-law No. 2013-094 should be repealed, as Policy AF020 will serve as the authority for administering pre-authorized tax payment plans.

Amending the Tax Policy By-law to reference Policy AF020 will improve clarity, ensure alignment between legislative and administrative documents, and support transparency.

Alternatively, the City could continue administering payment plans under Policy AF020 without updating the recent changes to the Tax Policy By-law; however, this may create a lack of clarity where the two are not formally linked. Aligning the by-law and policy is considered best practice and reduces the risk of inconsistency.

Resource Alignment:

Financial Resources

N/A

Human Resources

It is anticipated that a brief annual review of the Tax Billing and Collection Policy will be undertaken by the Deputy Treasurer and Tax Collector to ensure compliance with the Municipal Act, and to incorporate any legislative changes. Staff will also continue to engage with similarly sized municipalities and professional networks to align the policy with current best practices and implement any necessary updates, as required.

A comprehensive review will be conducted every five (5) years by the Deputy Treasurer, Manager of Legislative Services, and Tax Collector to ensure the policy remains aligned with changes in legislation and the evolving municipal and property tax landscape.

It is estimated that the annual review will require approximately 2–4 hours of combined staff time, while the comprehensive five-year review will require approximately 10–15 hours of combined staff time, depending on the extent of legislative or procedural changes required.

Time and Scheduling

The new Tax Billing and Collection Policy will take effect immediately upon approval and enactment of the enabling by-law.

Technology and Infrastructure

With the implementation of Virtual City Hall (VCH), ratepayers can now easily access tax and water account information, including account balances, previously issued billings, the ability to make payments by credit card, and more, anywhere, at any time. This increased accessibility provides greater flexibility for ratepayers and reduces the need for routine counter and telephone inquiries.

As staff continue to encourage ratepayers to create a profile on VCH, it is envisioned that staff capacity will be redirected from routine transactional service delivery to higher-value work, including process improvements, policy development, and service enhancements that support high-quality customer service.

To date, approximately 520 ratepayers have created profiles on VCH, with continued uptake expected as awareness increases.

Climate and Environmental Impacts:

There are no anticipated climate or environmental impacts.

Communication and Engagement:

This report and policy has been posted to the City's website with the agenda in advance of this meeting.

The policy will be available on the City's website under By-laws and Policies, and upon request at City Hall.

Report Developed in Consultation With:

Manager of Legislative Services
Director of Corporate Services
Peter Frise, Frise Policy & Finance Inc.

Attachments:

1. Attachment 1 - Tax Billing and Collection Policy AF020
2. Attachment 2 – FS19 – Previous Tax Collection and Billing Policy

Reviewed by:

Kristen Van Alphen, Manager of Legislative Services

Kate Allan, Director of Corporate Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Crystal Moffatt, Tax Collector at cmoffatt@owensound.ca or 519-376-4440 ex. 1249.