

### **Property Tax Accounts in Arrears:**

In order to avoid any further penalty/interest from being added to the property tax account that is in arrears, the best option for the property owner is to make a payment in full. However, if a payment in full is not feasible, the property owner is encouraged to either make a material lump sum payment on the account, and/or enter into one of the two recommend payment plans (either a 2-Year or a 5-Year Payment Plan), which at any point in time may be paid in full or have additional payments applied to the outstanding balance.

The City of Windsor is committed to providing an economic recovery plan for individuals whose property taxes are in arrears. In 2009, the City, as part of its collection strategy, introduced a 5-year payment plan intended to aid the owner with the ability to pay off the property tax arrears. Provided that the taxpayer maintained his/her agreement, the registration of a Tax Arrears Certificate would be prevented for the property where the Tax Arrears were greater than 2 taxation years.

Please note, that in the event where either a lump sum payment is made on account, and/or one of the payment plan options is chosen, interest and penalties will continue to apply until such time as the property tax account becomes current and up to date.

### **General information associated with the 5-Year Payment Plan option:**

It is strongly recommended that the taxpayer pay as much as he/she can onto the account in order to bring the account to a current status within a shorter period of time and to minimize the overall interest/penalty costs. Where this is not possible, a property owner in tax arrears is encouraged to enter into a payment plan option for a **maximum period of approximately 5 years (60 months)**.

The 5-Year payment plan is intended to bring the property tax account as up to date as possible within the approximate 5 year period. Plan calculations are generally based on the current outstanding property tax account balance, current property tax Assessment (from MPAC – Municipal Property Assessment Corporation), current property tax rates and current penalty rates. The pre-authorized payments are withdrawn on the 29th of every month.

Please note that a combined assessment and tax rate increase of **1% per year** will be factored into the estimated 5 year payment calculation. The estimated monthly payment calculation cannot fully anticipate, over the next five years, actual increases in tax rates, property assessment changes, or the addition of local improvement, or other City of Windsor charges.

If your assessment increases and/or the City's tax rate increase differ from that 1% combined assumption, your payment will need to be increased accordingly, at your request.

Late payment charges will continue to apply, currently at the rate of **1.25% of the amount of tax due and unpaid as interest for non-payment on the first day of each month**. In addition, 1.25% of the amount of tax due and unpaid as a penalty for non-payment on the first day of default, as each installment becomes due. Paying the most you can, as soon as you can, will assist you in minimizing your overall costs.



## Pre-Authorized Payment Plan for Tax Arrears

### **After the 5-year period concludes:**

Should there be a remaining tax arrears balance towards the end of the 5 years, the taxpayer will be afforded an opportunity to increase payment arrangements on the existing balance.

Once the property owner enrolls in the 5-year payment plan, provided that regular payments are made as agreed, the City of Windsor will take no further collection action on the that property.

### **Tax Arrears Certificate Registration:**

In the event that **any two payments** are missed, the taxpayer will be considered in default. The City of Windsor will be in a position to begin the tax arrears certificate registration process with respect to the property, if the outstanding Property Tax Arrears are **greater than 2 taxation years**.

*“Where any part of tax arrears is owing with respect to land in a municipality on January 1 in the second year following that in which the real property taxes become owing, the treasurer of the municipality, unless otherwise directed by the municipality, may prepare and register a tax arrears certificate against the title to that land. 2001, c. 25, s. 373 (1); 2017, c. 10, Sched. 1, s. 55 (1).”*

In order to avoid any further City of Windsor initiated collection activity, it is in the best interest of the property owner to consider the payment plan options available.

If you have any questions or are interested in discussing the 5-year payment plan option, please contact 311, or email [taxcollections@citywindsor.ca](mailto:taxcollections@citywindsor.ca)