

Committee of the Whole (2) Report

DATE: Wednesday, May 12, 2021

WARD(S): ALL

TITLE: 2021 PROPERTY TAX SALE REGISTRATION – ALL WARDS

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

To provide Council with information relating to properties that have tax arrears in excess of three years and therefore are eligible to come under the authority of the property tax sale legislation of the *Municipal Act*.

Report Highlights

- Owners of these properties and all interested parties (mortgagees or lien holders) will be notified by registered mail of their property being eligible for registration of a tax arrears certificate, as required by Provincial legislation.
- The property tax sale registration process provides an effective tool in the collection of outstanding property taxes since any unpaid taxes become the responsibility of the City.

Recommendation

1. That staff continue to contact and/or meet with the property owner(s) in an effort to negotiate acceptable payment arrangements.

Background

The tax sale process is commenced under the authority of Part XI of the *Municipal Act, R.S.O 2001, as amended* for properties in all classes that have tax arrears in excess of three years. Staff utilize the tax sale process as part of an ongoing collection effort.

For the most part, the City receives satisfactory payment plans or full payment on most property tax accounts with arrears through various collection efforts including, but not limited to, letters and contact by telephone. When these collection practices are no longer effective, the next step is to identify properties as eligible for registration of a tax arrears certificate. This is the first step in the tax sale process. The owners of these particular properties and all/any interested parties (mortgagees or lien holders) will be notified by registered mail of the initiation of this process.

Once a tax arrears certificate is registered on title, the property owner has one year to pay the tax account in full. Failing that, the owner, the spouse, a mortgagee or a tenant occupying the land may enter into an extension agreement with the City. An extension agreement allows additional time for payment of the property tax arrears. The terms of the agreement must be satisfactory to and signed off by the City Treasurer and/or his designate.

Previous Reports/Authority

N/A

Analysis and Options

If payment in full or a satisfactory extension agreement is not processed during the one (1) year period, the City is in a position to proceed with a tax sale to recover outstanding property taxes, late payment charges and costs incurred relating to the tax sale process. Council will be informed if any of the listed properties reach that point.

Financial Impact

The property tax sale registration process provides an effective tool in the collection of outstanding property taxes since any unpaid taxes become the responsibility of the City. The City must still meet the financial levy obligations to the Region of York and the Province of Ontario for education purposes.

Broader Regional Impacts/Considerations

N/A

Conclusion

Finance staff will continue to contact and/or meet with the property owner(s) in an effort to negotiate acceptable payment arrangements. Council will be provided with the confidential list of properties under separate cover.

For more information, please contact:

Dean Ferraro, Director of Financial Services/Deputy Treasurer at ext. 8272

Maureen Zabiuk, Manager, Property Tax & Assessment at ext. 8268

Attachment

1. Confidential memo (Mayor and members of Council only)

Prepared by

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Manager, Property Tax & Assessment

Ext. 8268

Approved by



Michael Coroneos
Deputy City Manager,
Corporate Services, Chief Financial
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Reviewed by



Jim Harnum, City Manager