

The Corporation of the City of Kawartha Lakes

Council Report

Report Number CORP2017-003

Date: January 24, 2017

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier:

Subject: Vest Unsuccessful Tax Sale Property

Author/Title: Christine Norris,
Manager, Revenue & Taxation/Deputy Treasurer

Signature: 

Recommendation(s):

RESOLVED THAT Report CORP2017-003, Vest Unsuccessful Tax Sale Property, be received; and

THAT the property offered for tax sale on July 21, 2016 and described as:

Roll No. 1651 026 030 31605
PART LOT 73, REGISTRAR'S COMPILED PLAN 551
DESIGNATED PARTS 28 AND 30, PLAN 57R3203; SUBJECT TO
R173635, R173623, R172730, R175274, R190258, R173626,
R173629, R332621, R266847, R438425, R172727, R172741,
R274921 AND R172722; CITY OF KAWARTHA LAKES, BEING
PART OF PIN 63125-0493 (LT) AND PART OF LOT 73,
REGISTRAR'S COMPILED PLAN 551, PART 29, PLAN 57R3203,
TOGETHER WITH R190258; CITY OF KAWARTHA LAKES,
BEING PIN63125-0149 (R)


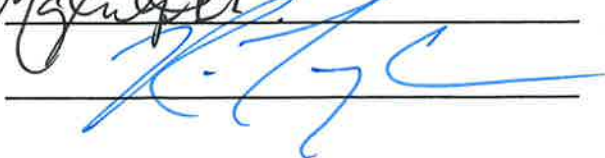
Be vested with the City of Kawartha Lakes: and

THAT the amount owing on the account be deemed uncollectable.

Department Head:

Corporate Services Director / Other:

Chief Administrative Officer:

Background:

The property identified as Roll No. 1651 026 030 31605 was offered for sale through public tender on April 27, 2015 with the minimum tender amount of \$4,607.67 and a second time on July 21, 2016 with a tender price of \$6,257.30. These amounts included property taxes, penalty and fees associated with the sale of land by Municipal Tax Sale. There were no successful bids at either Tax Sale.

At the Council Meeting of December 13, 2011, Council adopted the following resolution:

CR2011-1383

RESOLVED THAT Report FIN2011-054, 2011 Tax Sale Results, be received; and

THAT all properties that did not receive tenders be forwarded to the Land Management Committee for review and consideration for vesting in the City of Kawartha Lakes; and

THAT the recommendations from the Land Management Committee be provided to the Corporate Services Manager, Revenue and Taxation, no later than September 30, 2012, in order to deal with outstanding amounts in the 2012 budget year.

As directed the property was brought to the attention of the Land Management Committee and was circulated for comments.

As there was no successful tender received, staff is recommending the property be vested with the City of Kawartha Lakes.

Rationale:

Where there has been default in property taxes and no successful tenders received by the municipality in the municipal tax sale process, the alternative for the municipality to recover the outstanding taxes, penalties, fees and charges is to take ownership of the property as a way to mitigate the lost revenue.

There have been a number of adjoining properties previously vested with the municipality as a result of failed tax sales.

Other Alternatives Considered:

Council may choose not to vest the property. The alternatives then are:

- Cancel the property taxes and leave the property in the ownership of the current owner and continue to cancel the taxes each year – this option is not in the best interest of the City as it sends a message that it is okay not

to pay property taxes as the City may not take ownership of the property and cancel the debt due to the municipality; or

- Allow the taxes to continue to accumulate – this option will result in tax arrears continuing to accrue with an amount already owing far exceeding the value of the property.

Financial Considerations:

The outstanding property taxes, penalties, fees and charges as of December 31, 2016 are \$5,627.68. The education portion of the outstanding property taxes will be charged back to the School Board if Council supports the recommendation.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

Strategic Enabler – Fiscal Resource Management – Uncollectable property taxes are a burden to the municipality. Where appropriate assuming ownership of a property where recovery of property taxes has been unsuccessful through the municipal tax sale process allows the municipality change the debt to the municipality into an asset and a potential future revenue opportunity.

Review of Accessibility Implications of Any Development or Policy:

Not applicable

Servicing Comments:

Not applicable

Consultations:

Land Management Committee

Attachments:

Appendix A – Map of Property

Please ensure that all attachments are forwarded with the signed report.

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Department Head: Mary-Anne Dempster

Department File:

Appendix A

