

The Corporation of the City of Kawartha Lakes

Council Report

Report Number CORP2017-019

Date: June 6, 2017
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier: Ward 3

Subject: Vest Unsuccessful Tax Sale Property

Author Name and Title: Christine Norris, Manager, Revenue & Procurement

Recommendation(s):

RESOLVED THAT Report CORP2017-019, Vest Unsuccessful Tax Sale Property, be received; and

THAT the property offered for tax sale on August 18, 2015 and July 21, 2016 and described as:

Roll No. 1651 310 031 13401
PT LOT 2 CON 14 SOMERVILLE AKA LOT 2A S OF CREGO ST
AS IN SV4011; CITY OF KAWARTHA LAKES BEING PIN 63120-
1350 (LT)

Be vested with the City of Kawartha Lakes: and

THAT the amount owing on the account be deemed uncollectable.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The property identified as Roll No. 1651 310 031 13401 was offered for sale through public tender on August 18, 2015 and a second time on July 21, 2016 with a tender price of \$5,514.97. 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/Operation Impacts:

The outstanding property taxes, penalties, fees and charges as of May 18, 2017 are \$5,222.53. 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 to change the debt to the municipality into an asset and a potential future revenue opportunity.

Consultations:

Realty Services Manager

Attachments:

Appendix A – Map of Property



Appendix A -
CORP2017-019.docx

Department Head E-Mail: mdemspter@city.kawarthalakes.on.ca

Department Head: Mary-Anne Dempster

Department File: F34 – 1651 008 020 03700

Appendix "A"

