

The Corporation of the City of Kawartha Lakes

Council Report

Report Number CORP2019-025

Date: September 24, 2019

Time: 1:00 p.m.

Place: Council Chambers

Ward Community Identifier: 01

Title: Vest Unsuccessful Tax Sale Property

Author and Title: Linda Liotti, Manager, Revenue & Taxation

Recommendation(s):

RESOLVED THAT Report CORP2019-025, **Vest Unsuccessful Tax Sale Property**, be received;

THAT the property offered for tax sale on October 12, 2017 described as

Roll No. 1651 420 002 01900.0000

Part of Lot 11, Concession 1, geographic Township of Laxton; part West half Lot 12, Concession 1, geographic Township of Laxton, as in R240800; City of Kawartha Lakes, being 63112-0086 (LT)

Be vested with the City of Kawartha Lakes; and

THAT the amount owing on this account be deemed uncollectable.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

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.

This report addresses that direction.

Roll No. 1651 420 002 01900.0000 (Appendix A - Map 1) did not receive any successful bids at the tax sale held on October 12, 2017. The property was offered for sale through a public tender process with a tender amount of \$19,732.11. This amount includes unpaid property taxes, penalties and fees associated with the sale of land by Municipal Tax Sale.

As directed, on March 12, 2018, the property was brought to the attention of the Land Management Committee (LMC) and was circulated for comments. The property appeared to be a non-buildable property and was considered to be a natural property with a river running through it. The LMC approved the vesting of this property with the intention of donating it to MNRF, Kawartha Land Trust, etc. Staff is therefore 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.

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 sets a precedence for non-payment of taxes; or

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

Financial/Operation Impacts:

The outstanding property taxes, penalties, fees and charges as of September 6, 2019 are as follows:

Roll No.	Outstanding Taxes as of September 6, 2019
1651 420 002 01900.0000, Map 1	\$23,222.35

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:

Advised Legal – Realty Services

Attachments:



Appendix A - Map
1.pdf

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Department Head: Jennifer Stover