

STAFF REPORT: Financial Services



REPORT TO: Finance and Administration Committee
MEETING DATE: October 23, 2007
REPORT NO.: FS.07.39
SUBJECT: Property Taxes Receivable Status at October 12, 2007
PREPARED BY: Teresa Oakley, Manager of Revenue

A. Recommendations

THAT Council does receive Report FS.07.39, Property Taxes Receivable Status at October 12, 2007, for information purposes.

B. Background

Outstanding Taxes Status

Outstanding taxes at December 31, 2005 12.4%
Outstanding taxes at December 31, 2006 11.8%

The Town issued tax bills in the amount of \$26,602,000 for the 2007 property tax year (including local, county and provincial education taxes, plus other charges added to the tax roll, but not including payment in lieu of taxes properties). \$7,713,000 remained outstanding at October 12, 2007 (including additional penalty and interest charges on overdue amounts). However, the final instalment of 2007 taxes (\$6,851,000) representing about 25% of the total year's taxes is not due until November 28, 2007.

Of the \$3,158,000 total property taxes outstanding at December 31, 2006 (2006 and prior outstanding taxes) \$1,390,000 remains owing at October 12, 2007 (including additional interest charges added from January through October).

	<u>at Dec 31, 2006</u>	<u>at Oct 12, 2007</u>
2007 Taxes outstanding	\$ 0	\$7,712,500
2006 Taxes outstanding	\$2,109,822	\$ 938,383
2005 Taxes outstanding	\$ 711,644	\$ 348,300
2004 Taxes outstanding	\$ 280,549	\$ 64,641
2003 & prior Taxes outstanding	\$ 56,332	\$ 38,232
Total	<u>\$3,158,347</u>	<u>\$9,102,056</u>

Oldest Taxes Receivable

Where any part of tax arrears is owing with respect to land in a municipality on January 1 in the third 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. This commences the "Sale of Land for Tax Arrears" process.

The tax sale process has been initiated for fifteen properties. The Town's solicitors, Shaw, McLellan and Ironside, coordinate the tax sale process for the Town. Once the tax arrears certificate has been registered, the property owner has one year to pay all outstanding taxes, penalty, interest and related charges (such as legal fees) in full in order to redeem the property. After the one year period has expired, the property may be sold for unpaid taxes.

Since amalgamation all properties that have had tax arrears certificates registered against title have paid in full. It has not been necessary to sell property in order to collect the outstanding taxes.

C. The Blue Mountains' Strategic Plan (Statement(s) identifying how actions further the goals of the Strategic Plan)

Ensuring long-term financial sustainability.

D. Budget Impact (cc: Treasury if required)

E. Attached (Relevant documentation not personal information about an identifiable person)

Respectfully submitted,

Teresa Oakley, Manager of Revenue

Robert Cummings, Acting Director of Finance