

TAX SALE REGISTRATION

Recommendation

The Director of Finance in consultation with the Manager of Property Tax & Assessment recommends:

That Council receive this report for information purposes.

Purpose

The purpose of this report is 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 tax sale legislation of the Municipal Act.

Background - Analysis and Options

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

Staff through various collection efforts receive satisfactory payment plans or full payment on most property tax accounts with arrears; however, these properties have been identified as being eligible for registration of a tax arrears certificate, which is the first step in the tax sale process. The owners of these properties and all the interested parties (mortgagees) 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 the City Treasurer and approved by Council through a by-law.

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

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Conclusion

Finance staff are continuing to contact and/or meet with the property owner(s) to attempt to negotiate acceptable payment arrangements.

Attachments

None – Council will be provided with the confidential list of properties under separate cover.

Report prepared by:

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Respectfully submitted,

Barry E. Jackson, CGA
Director of Finance