



STAFF REPORT

DEPARTMENT: Treasury
CHAIR: Councillor J Contin
DATE: February 29, 2016
REPORT NO.: TR-2016-3 - 2015 YEAR END REPORT ON TAX ARREARS

RECOMMENDATION:

This Report be received as information.

BACKGROUND:

Outstanding taxes are secured and fully collectible except in cases where taxes owing exceed the assessed value, or liens in favor of the Crown have formed a priority. Our collection efforts on outstanding property taxes include the regular mailing of reminder notices. These are mailed on the months where no due date has occurred. We encourage people to consider the pre-authorized payment plans.

Once a property has three years of arrears, a Tax Arrears Certificate is registered on title to the property. This starts the process whereby the property owner has one year to pay in full all taxes, interest, penalties plus registration costs. The payment must be made in one lump sum (unless Council has approved an extension) to have the Tax Registration Certificate removed from title and to avoid the eventual Tax Sale of the property.

ANALYSIS:

There is a 0.89% decrease in the level of year-end arrears largely a result of 2 large accounts having cleared their arrears. The total outstanding represents 8.00% of total taxes billed. Any level between 10-15% is considered moderate risk.

Ninety four percent of our accounts are paid in full. The total number outstanding has increased from 437 to 504. This is due to an increase of accounts with small amounts outstanding (mostly from one large development). The total outstanding includes not only the Town share, but also the County, School and interest owing. Very few properties have actually gone to the point of Tax Sale.

Every year there are a number of properties that are eligible for registration. Most will be cleared once preliminary notices are mailed and the remainder will most likely be cleared prior to the expiry of the one year period.

Unpaid taxes become a priority lien on the property except in favor of the Crown.

FINANCIAL IMPACT:

We currently have one property that is scheduled for tax sale March 24th.

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Approved by: Marc Villeneuve,
Director of Finance/Treasurer

Reviewed by: Andrea Fay,
Interim Chief Administrative Officer

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TOWN OF MIDLAND
YEAR-END REPORT ON OUTSTANDING TAXES
(INCLUDING PENALTIES)
2014 vs 2015

| | # | AS AT DEC 31 <u>2014</u> | # | AS AT DEC 31 <u>2015</u> | # | INCREASE <u>-DECREASE</u> |
|--|-----|-----------------------------|-----|-----------------------------|-----|------------------------------|
| Current Year | 437 | \$ 1,092,231 | 504 | \$ 923,308 | 67 | \$ (168,923) |
| Taxes 1yr in arrears | 191 | \$ 639,880 | 166 | \$ 510,925 | -25 | \$ (128,955) |
| Taxes 2yr in arrears | 82 | \$ 361,220 | 82 | \$ 325,124 | 0 | \$ (36,096) |
| Taxes 3yr in arrears | 9 | \$ 708,860 | 13 | \$ 799,862 | 4 | \$ 91,002 |
| TOTAL TAXES OUTSTANDING | | \$ 2,802,191 | | \$ 2,559,219 | | \$ (242,972) |
| NET TAXES BILLED | | \$ 31,533,539 | | \$ 31,995,612 | | \$ 462,073 |
| TOTAL COLLECTIONS | | \$ 32,100,438 | | \$ 32,238,584 | | \$ 138,146 |
| <i>Total Outstanding as % of Total Billed</i> | | 8.89% | | 8.00% | | -0.89% |

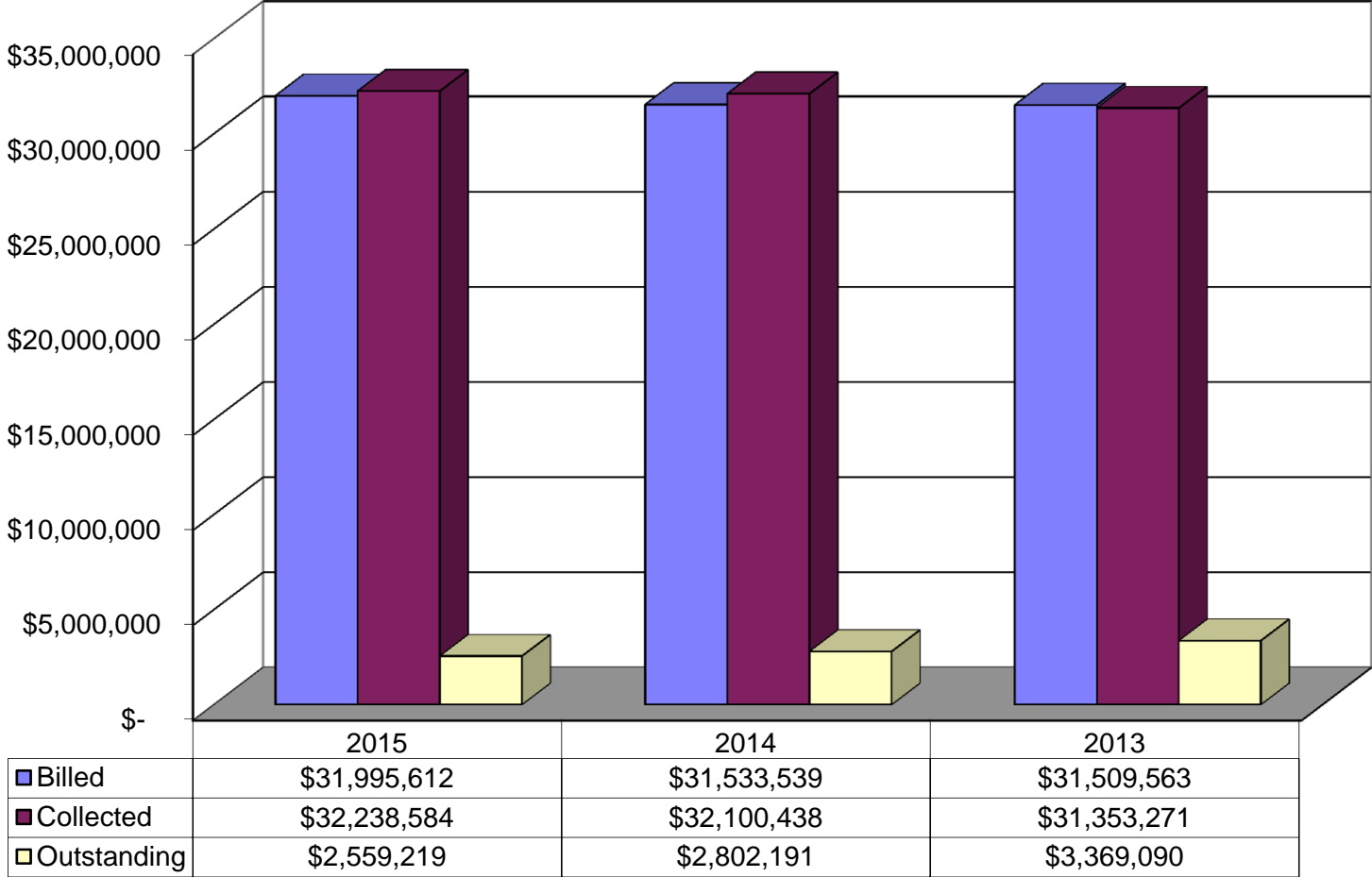
| STATS | 2014 | 2015 | INCREASE |
|--------------------------------|--------------|--------------|----------|
| TOTAL NUMBER OF TAX ACCOUNTS | 7,789 | 7,824 | 35 |
| ACCOUNTS ON PAYMENT PLAN | 1,750 22% | 1,816 23% | 66 |
| TAX CERTIFICATES ISSUED | 430 | 409 | -21 |
| POTENTIAL TAX REGISTRATIONS | 72 | 69 | -3 |

Pamela Wayne

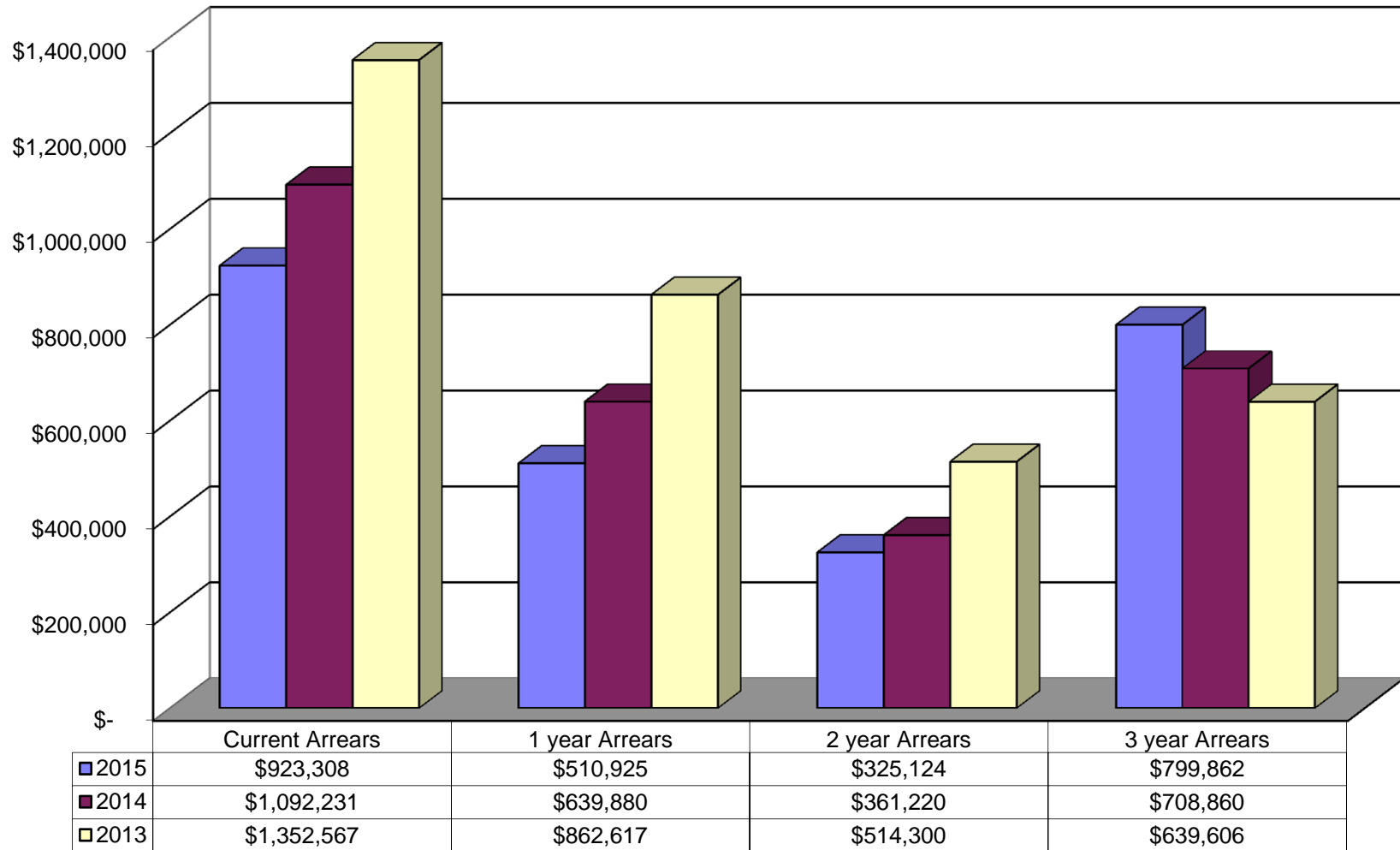
Manager of Revenue and Taxation

TAXES

Billed - Collected - Outstanding



Amount Outstanding by Year Billed



Number of Properties Outstanding by Year Billed

