



STAFF REPORT

DEPARTMENT: Treasury
CHAIR: Councillor J Contin
DATE: January 29, 2015
REPORT NO.: TR-2015-1 - 2014 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 1.81% decrease in the level of year-end arrears. The total outstanding represents 8.89% of total taxes billed. Any level between 10-15% is considered moderate.

Ninety four percent of our accounts are paid in full. The total number outstanding has decreased from 542 to 437. 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 two properties that are scheduled for tax sale March 25th. The financial impact is approximately \$37,000.00 (Town portion \$26,500.00 including legal fees and penalties).

Prepared by: Pamela Wayne, Manager of Revenue and Taxation

Approved by: Marc Villeneuve, Director of Finance/Treasurer

Reviewed by: Carolyn Tripp, CAO

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TOWN OF MIDLAND
YEAR-END REPORT ON OUTSTANDING TAXES
 (INCLUDING PENALTIES)
2013 vs 2014

	#	AS AT DEC 31 <u>2013</u>	#	AS AT DEC 31 <u>2014</u>	#	INCREASE <u>-DECREASE</u>
Current Year	542	\$ 1,352,567	437	\$ 1,092,231	-105	\$ (260,336)
Taxes 1yr in arrears	256	\$ 862,617	191	\$ 639,880	-65	\$ (222,737)
Taxes 2yr in arrears	138	\$ 514,300	82	\$ 361,220	-56	\$ (153,080)
Taxes 3yr in arrears	11	\$ 639,606	9	\$ 708,860	-2	\$ 69,254
TOTAL TAXES OUTSTANDING		\$ 3,369,090		\$ 2,802,191		\$ (566,899)
NET TAXES BILLED		\$ 31,509,563		\$ 31,533,539		\$ 23,976
TOTAL COLLECTIONS		\$ 31,353,271		\$ 32,100,438		\$ 747,167
 <i>Total Outstanding as % of Total Billed</i>		 10.69%		 8.89%		 -1.81%

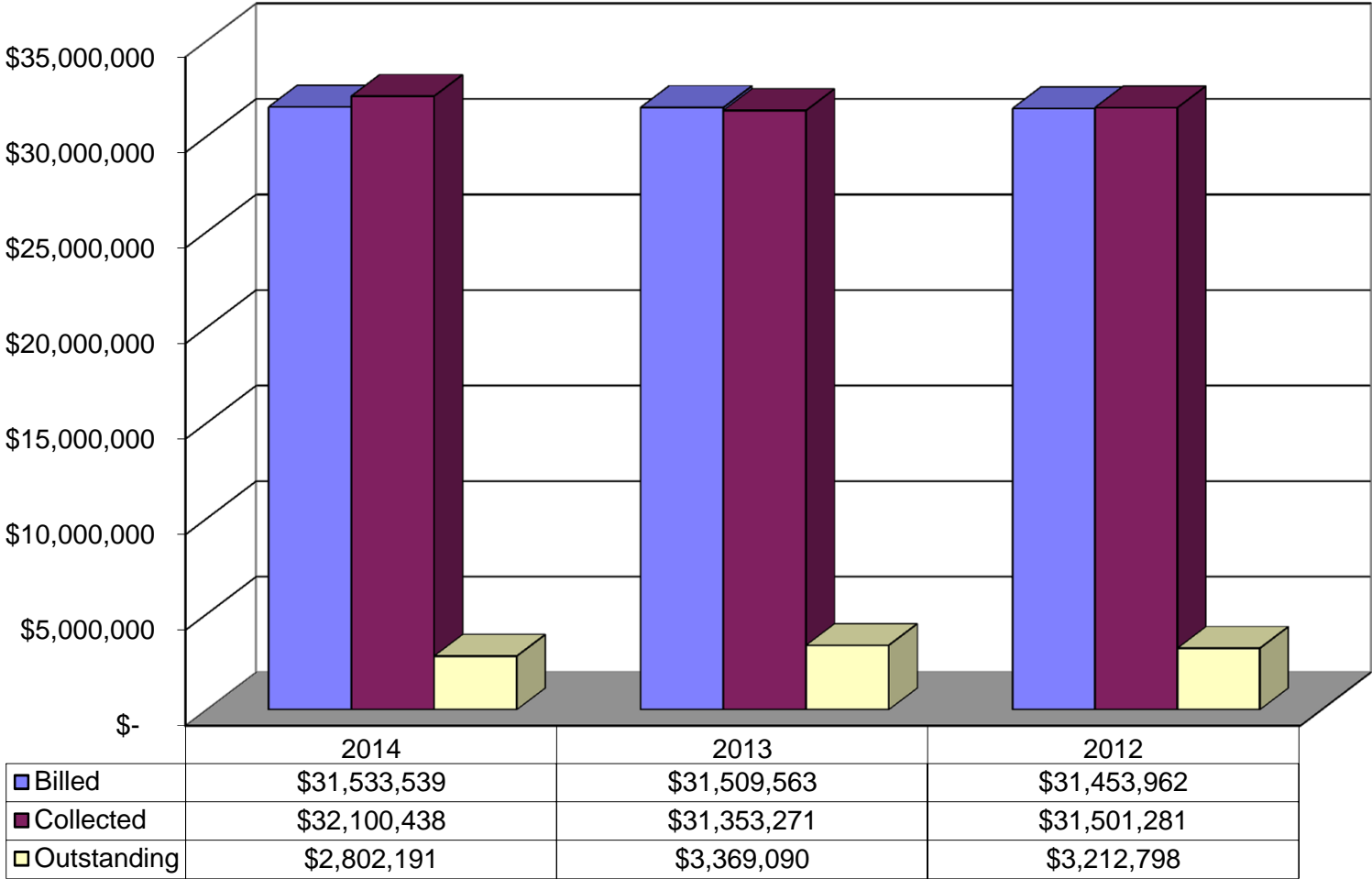
STATS	2013	2014	INCREASE
TOTAL NUMBER OF TAX ACCOUNTS	7,768	7,789	21
ACCOUNTS ON PAYMENT PLAN	1,695 22%	1,750 22%	55
TAX CERTIFICATES ISSUED	337	430	93
POTENTIAL TAX REGISTRATIONS	127	72	-55

Pamela Wayne

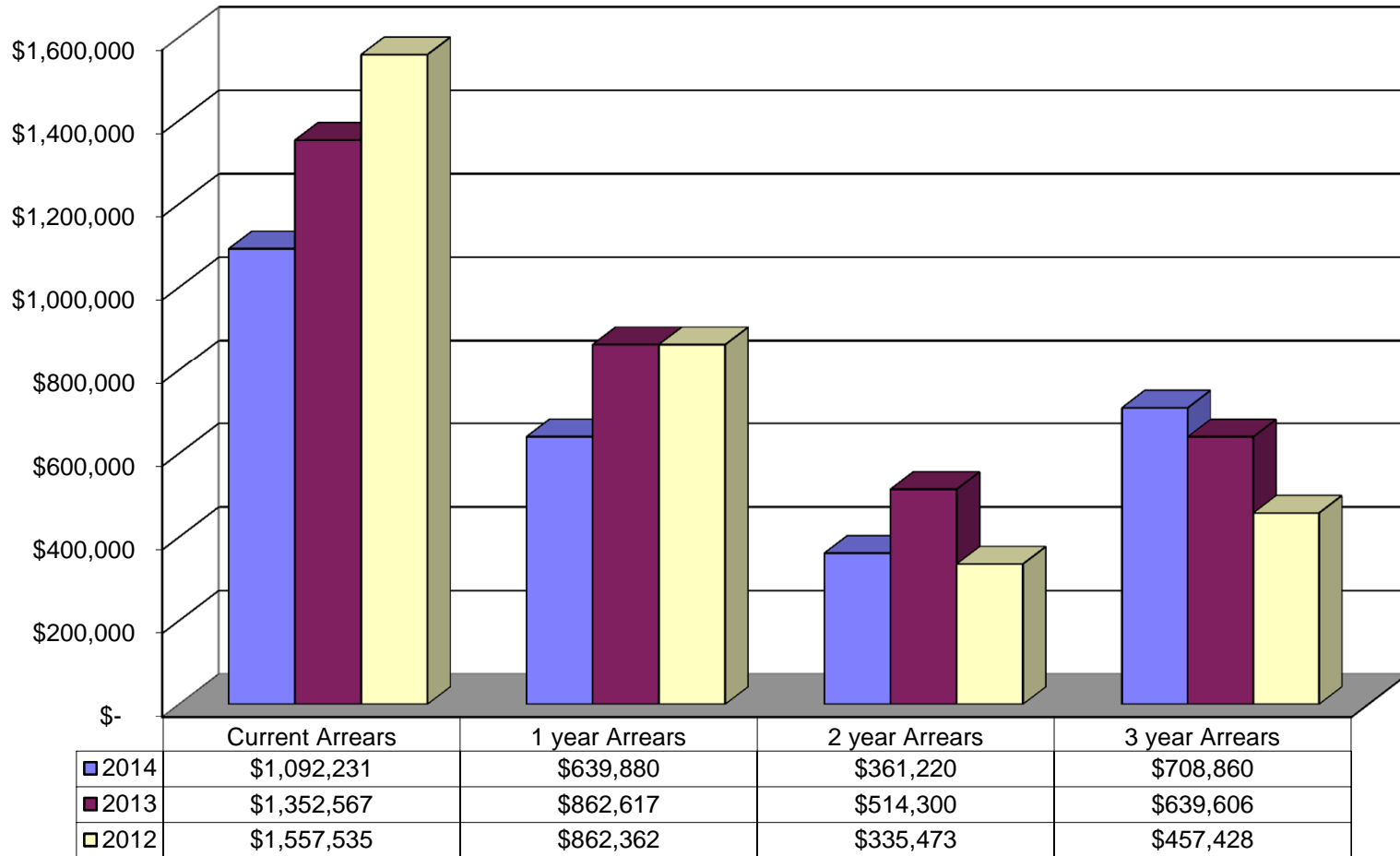
 Manager of Revenue and Taxation

TAXES

Billed - Collected - Outstanding



Amount Outstanding by Year Billed



Number of Properties Outstanding by Year Billed

