SUBJECT: 2005 Treasurer's Write-Off of Taxes after Failed Tax Sale (FCS06008) (City Wide)

RECOMMENDATION:

That the Treasurer, under Section 354 (3) of the Municipal Act (2001), write-off taxes as uncollectible due to failed tax sales in the amount of $167,860.61 as referred to in the attached Schedule “A” to report FCS06008.

EXECUTIVE SUMMARY:

The City has conducted three tax sales for non-payment of taxes to date for the year 2005; one on April 12, 2005; one on July 12, 2005; and the final one on November 22, 2005. The properties that did not sell at the July and November tax sales are referred to in the attached Schedule “A” to report FCS06008. Section 354 of the Municipal Act, 2001 allows Council to write-off taxes as uncollectible upon the recommendation of the Treasurer after a failed tax sale.

BACKGROUND:

As properties become three or more years in arrears they are identified in the tax system and registered for tax sale under the conditions of Part XI of the Municipal Act (2001). Staff works closely with the owners of the properties, and in most cases, a tax sale for non-payment of taxes is not necessary. In some cases, properties are created and assessed during developments that are not developable. The initial developer will not
pay taxes on a property that cannot be developed which will cause it to enter the tax sale process. The only avenue then open to the municipality is to offer it for tax sale. As there are zoning restrictions on these properties, there are usually no offers on the properties. The City will then vest the properties as City property, write-off the outstanding taxes and have the property coded exempt through the Municipal Property Assessment Corporation.

Where property has been identified as wetlands, the Real Estate Department will work with the local Conservation Authorities to transfer ownership. Where the property is landlocked, restricting the development, the Real Estate Department will work with the adjoining landowner to transfer the ownership. On those occasions, where a property with real market value is not sold during a tax sale, the Real Estate Department will market the property for sale. Any proceeds from the sale of these vested properties would then go into the Reserve for Property Purchase to offset any expenses for maintaining the properties while in City ownership.

**ANALYSIS/RATIONALE:**

The City has exhausted all avenues of collection available including proceeding to tax sale. By removing these properties from our books, we will get a clearer picture of taxable assessments for which to base the tax levy on.

**ALTERNATIVES FOR CONSIDERATION:**

None

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

The City Tax Write-off portion is $147,197.31 charged to HAMTN 12040.000100; the Water Write-Off is $3,309.97 charged to HAMTN 12643.000100; and the Boards of Education will be charged back $17,353.33 for their portion of the lost taxes.

**POLICIES AFFECTING PROPOSAL:**


**RELEVANT CONSULTATION:**

Real Estate Department.
By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

**Community Well-Being is enhanced.**  
☐ Yes  ☑ No  
no impact

**Environmental Well-Being is enhanced.**  
☐ Yes  ☑ No  
no environmental impact

**Economic Well-Being is enhanced.**  
☑ Yes  ☐ No  
Removing the uncollectible taxes from the trial balance gives an accurate financial picture

**Does the option you are recommending create value across all three bottom lines?**  
☐ Yes  ☑ No

**Do the options you are recommending make Hamilton a City of choice for high performance public servants?**  
☐ Yes  ☑ No
## Tax Write-Off – Properties that failed Tax Sale

<table>
<thead>
<tr>
<th>Address</th>
<th>Roll Number</th>
<th>Taxes Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Pleasant Ave</td>
<td>260.040.31801</td>
<td>$3,953.50</td>
</tr>
<tr>
<td>O Darrow Dr</td>
<td>003.275.20877</td>
<td>$4,228.87</td>
</tr>
<tr>
<td>43 Pinard St</td>
<td>050.534.02758</td>
<td>$2,800.75</td>
</tr>
<tr>
<td>0 Freelton Rd</td>
<td>302.910.00900</td>
<td>$11,939.96</td>
</tr>
<tr>
<td>0 Braeheid Ave</td>
<td>303.390.04908</td>
<td>$3,010.30</td>
</tr>
<tr>
<td>0 Braeheid Ave</td>
<td>303.390.04909</td>
<td>$3,010.30</td>
</tr>
<tr>
<td>0 Centre Rd</td>
<td>303.710.61700</td>
<td>$5,718.98</td>
</tr>
<tr>
<td>0 Aldercrest Ave</td>
<td>902.110.56410</td>
<td>$5,254.17</td>
</tr>
<tr>
<td>0 Dickenson Rd</td>
<td>902.210.06000</td>
<td>$4,697.88</td>
</tr>
<tr>
<td>942 Barton St E</td>
<td>040.286.00370</td>
<td>$64,398.52</td>
</tr>
<tr>
<td>0 Governors Rd</td>
<td>140.120.00370</td>
<td>$6,469.17</td>
</tr>
<tr>
<td>362 John St. N</td>
<td>020.165.03010</td>
<td>$35,511.31</td>
</tr>
<tr>
<td>24 Clarke Ave</td>
<td>030.221.02400</td>
<td>$20,182.62</td>
</tr>
</tbody>
</table>

**Total** $167,860.61

### Split of Outstanding

- **School Boards**: $17,353.33
- **Penalty Cancelled**: $54,525.54
- **Property Standards**: $29,702.02
- **City’s**: $62,969.75
- **Metered Water**: $3,309.97