SUBJECT: Tax Write-off processed under Section 354 (4(b)) of the Municipal Act, 2001 (FCS08013) (Ward 12)

RECOMMENDATION:

That taxes at 0 Seymour Drive in the amount of $1,535.92 deemed to be uncollectible, pursuant to Section 354 (4(b)) of the Municipal Act, 2001, be approved for write-off.

EXECUTIVE SUMMARY:

Section 354 (4(b)) of the Municipal Act, 2001, allows the Treasurer of a local municipality to remove unpaid taxes from the tax roll if, the council of the municipality, on the recommendation of the Treasurer, deems the taxes as uncollectible.

BACKGROUND:

Property roll number 140 370 399 250000, 0 Seymour Drive, is a retaining wall constructed by the developer, Alterra Developments Limited in the late 1980’s. Through an agreement signed by Alterra and the Town of Ancaster, Alterra was to construct and maintain the retaining wall. As the wall is owned by Alterra it has been assessed by the Municipal Property Assessment Corporation. Taxes from 1998 have remained unpaid and the property was registered in 2005 for tax arrears. Numerous attempts to contact Alterra to rectify the outstanding balance have been unsuccessful. Proceeding to a tax sale is not recommended as there is virtually no chance of selling such a property. The homeowner, of whom the retaining wall is attached to their property, is not interested in the wall due to liability and maintenance issues. For these reasons it is also not recommended that the City conducts the tax sale and vest the property to the City. Pursuing legal action is also not recommended due to the cost.
ANALYSIS/RATIONALE:

In order to properly record outstanding collectible taxes owed to the city, it is recommended this uncollectible tax be written off. MPAC initially valued the property at $5,000 and had the value as high as $8,800. The value has since been lowered to $100 which will result in taxes of less than $2.00 per year. Future write-offs will be handled under the small balance write-off process for amounts less than $5.00. Alterra will still be responsible for all maintenance and liability issues associated with the wall.

ALTERNATIVES FOR CONSIDERATION:

Pursue legal action against Alterra for the taxes and associated costs.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

The taxes that will be written-off are $1,535.92 of which, $197.34 will be charged back to the English Public School Boards; $769.09 to penalty and interest (HAMTN 52167.252009), and the tax rate budget write-off amount of $569.51 will be charged to the operating budget (HAMTN 52108.211025).

POLICIES AFFECTING PROPOSAL:


RELEVANT CONSULTATION:

Legal Services Department
Real Estate Department
Planning Department
Municipal Property Assessment Corporation (MPAC)
CITY STRATEGIC COMMITMENT:

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
Taxpayers can quickly rectify errors that are clerical in nature.

Environmental Well-Being is enhanced. □ Yes ☑ No

Economic Well-Being is enhanced. □ Yes ☑ No

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