

Municipality of Chatham-Kent
Finance, Budget & Information Technology Services
Financial Services

To: Mayor and Members of Council

From: Steven Brown, CPA, CMA
Director, Financial Services

Date: May 15, 2018

Subject: Tax Sale Write Offs – March 14, 2018 Tender

Recommendations

It is recommended that:

1. Taxes totaling \$22,912.84 as shown for the property on Appendix A be approved for a write off as uncollectible due to a failed tax sale on March 14, 2018, and that \$1,199.15 be charged to the School Boards as its share of the bad debt.
2. Administration be authorized to vest the property listed on Appendix A into the name of the Corporation of the Municipality of Chatham-Kent.
3. The property listed on Appendix A be declared as surplus to municipal needs, placed on the Chatham-Kent web surplus registry, and be offered for sale in accordance with municipal policy as described in By-Law 84-2017.

Background

A public tax sale tender was held on March 14, 2018 with a total of sixteen parcels being advertised for sale.

Prior to the closing of the tender, two parcels were redeemed by the owners and one was cancelled, therefore all three were not offered for sale.

Eleven parcels were sold through the tender process resulting in a surplus of funds for eleven parcels. The surplus funds have been deposited with the Accountant of the Superior Court and all interested parties have been notified of the surplus. Should no claims be made within one year, administration will make application on behalf of the Municipality of Chatham-Kent to redeem these funds. Prior to legislation changes that came into effect on January 1, 2018, municipalities were permitted to make application for unclaimed surplus funds as per Section 380 (4). The transition clause of Section 388 (2) of the Act allows for application of surplus funds in this matter as the tax certificate was registered against the property prior to December 31, 2017.

Two parcels did not receive a bid and therefore it is being recommended that a vesting deed be registered on title at the Land Registry Office for one of these parcels to officially put this property into the name of the Municipality of Chatham-Kent. The roll number involved for this property is a vacant lot, located in the Chatham city boundary. The parcel, once vested and declared as surplus, will be disposed of in accordance with the municipal policy as described in By-Law 84-2017.

It is not in the best interest of the Municipality of Chatham-Kent to register a vesting deed on the second parcel which did not receive any bids.

Comments

Vested properties are managed by the Property Management division of Financial Services. Typically, properties are considered first for municipal purposes, and if not required, are sold by tender, agency agreement, or whatever means the Property Management division considers appropriate.

The parcel being recommended for vesting has not been presented to Habitat for Humanity for consideration of potential future build sites, as the width of the lot would not permit the construction of a new home due to its limited size.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community:
Chatham-Kent is a healthy and safe community with sustainable population growth
- People and Culture:
Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community
- Environmental Sustainability:
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

- Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Open, Transparent and Effective Governance:
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

Legal Services will assist with the registration of vesting deeds into the name of the Corporation of the Municipality of Chatham-Kent.

The Technical Advisory Committee has completed its review of the parcels being recommended for vesting and determined the best purpose for all sites. Those that have no need for municipal purposes will be dealt with as recommended in this report.

Financial Implications

The tax loss, net of School Board recoveries, is charged to a provision established for doubtful tax accounts and uncollectible taxes. Revenue realized from the use or future sale of vested properties which have not been retained for municipal purposes will accrue to the Property Management budget and shared back with the School Boards as legislatively required.

Prepared by:

Amy McLellan, CPA, CGA
Manager, Revenue

Reviewed by:

Steve Brown, CPA, CMA
Director, Financial Services

Reviewed by:

Mike Turner, CPA, CMA
Chief Financial Officer, Treasurer

Attachments: Appendix A – Tax Sale Write Offs

C: Chief Legal Officer

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**APPENDIX A
MARCH 14th, 2018 TAX SALE WRITE OFFS**

Roll Number	Municipal Address	Assessment Class	Total Educ W/O	Total Munic W/O	Total Tax W/O To Tax Sale	Total Interest W/O	Total Tax Sale Costs	Total Other W/O	Grand Total W/O
3650-420-020-10800	25 Richmond St	CX	1,199.15	3,244.32	4,443.47	5,767.07	5,462.00	7,240.30	22,912.84
		Total Write Off	1,199.15	3,244.32	4,443.47	5,767.07	5,462.00	7,240.30	22,912.84