

Municipality of Chatham-Kent

Finance, Budget and Information Technology Services

Financial Services

To: Mayor and Members of Council

From: Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Date: June 1, 2020

Subject: Scale of Costs – Tax Sale Proceedings

Recommendations

It is recommended that:

1. The attached by-law to establish a scale of costs for tax sale proceedings be approved.
2. By-law 72-2011 be repealed.

Background

Tax Sale scale of costs By-law No. 72-2011 was approved by Council on June 6, 2011. There are two main reasons the Tax Sale scale of costs by-law needs to be reviewed and amended at this time. One is to reflect changes in legislation of the Municipal Act, 2001, Section 380 pertaining to application of proceeds. The second is to amend the process adhered to in Schedule A when enforcing tax sale proceedings as currently required by legislation amendments.

Comments

It has always been the intention of the collections process to pay for its services from the fees charged. A significant portion of the work is created by the registration process as legislated by the Municipal Act, 2001.

Section 380 of the Municipal Act, 2001 no longer permits municipalities to apply for surplus funds deposited with the Accountant of the Superior Court. Effective January 1, 2019, all unclaimed funds after ten years from the date of deposit are forfeited to the Crown in right of Ontario, discontinuing the option for municipalities to make an application for unclaimed funds.

Administration is recommending changes in the fees attributable to several steps within the scale of costs to more accurately reflect the effort and associated costs on certain steps within Schedule A.

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 was consulted in the preparation of this report.

Financial Implications

There are no financial implications resulting from the recommendations. The total fees charged as a result of tax sale proceedings remains unchanged in total. The application and timing of the fees has been modified to reflect the effort expended on each step in the process and its related costs.

Prepared by:

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Manager, Revenue

Reviewed by:

Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Reviewed by:

Gord Quinton, MBA, CPA, CGA
Chief Financial Officer, Treasurer

Attachment(s): By-Law for scale of costs for tax sale proceedings

C: Dave Taylor, Manager, Legal Services
Judy Smith, Director, Municipal Governance/Clerk

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CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT

BY-LAW NO. -2020

A by-law to establish a scale of costs for tax sale proceedings pursuant to the Municipal Act, 2001

WHEREAS Section 385 of the Municipal Act, SO 2001, C. 25 and amendments thereto, permits Council to establish a scale of costs for tax sale proceedings under said Act to recover costs.

AND WHEREAS Council believe that these charges set out herein are sufficient to cover the Municipality's costs involved;

NOW THEREFORE the Council of the Corporation of the Municipality of Chatham-Kent hereby enacts the following:

1. That By-Law 72-2011 be repealed;
2. That the Director, Financial Services (Deputy Treasurer) charge for the costs incurred in any step or any combination of steps as set out in Schedule A for any proceeding or in contemplation of any proceeding under the Act as attached hereto form part of this by-law;

FINALLY PASSED this 15th day of June, 2020.

SIGNED

SIGNED

MAYOR-Darrin Canniff

CLERK-Judy Smith

**Municipality of Chatham-Kent
Schedule A
To By-law - 2020**

Steps

1.	Conduct review of property tax records for eligible tax sale properties	\$155
2.	Issue a notice of intent to initiate tax sale proceedings by registered mail	\$60
3.	Circulate farm debt notices by registered mail	\$60
4.	Perform a sub-search to determine owners, encumbrances, and legal descriptions	\$485
5.	Perform a Sheriff search for executions against the property	\$165
6.	Prepare tax arrears certificate	\$60
7.	Register tax arrears certificate	\$315
8.	Prepare Notice of Tax Arrears Certificate registration	\$300
9.	Issue Notice of Tax Arrears Certificate registration to owners and encumbrances within 60 days of registration in Step 7	\$120
10.	Prepare Statutory Declaration	\$120
11.	Prepare Final Notice of Tax Arrears Certificate registration 280 days after registration in Step 7	\$300
12.	Issue Final Notice of Tax Arrears Certificate registration within 30 days after Step 11	\$120
13.	Prepare Statutory Declaration	\$60
14.	Advertise in Ontario Gazette for one week and local papers for four weeks	\$1,452
15.	Conduct Tax Sale	\$785
16.	Prepare and register tax deed	\$725
17.	Prepare file for closing, including if applicable, Payment into Court – Statement of Facts and notice of Payment into Court or Vesting document	\$180
	Total Fee Charged	\$5,462

Note #1	When arrears are paid and Cancellation Certificate (Form 4) is prepared and registered, this additional charge is included in the costs to date.	\$110
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Note #2	In cases where it is necessary to conduct a survey, incur legal fees to render a deed registerable, or where environmental or other additional costs are incurred, these actual costs will be applied above and beyond the stated fee.
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