



Regular Council Meeting

To:	Mayor and Council
Date:	June 15, 2020
From:	Kimberley Pope, Finance Department
Report Number:	Finance 2020-13
Subject:	Property Tax Arrears Update

Recommendation:

That Council receives for information the annual Property Tax Arrears Update Report.

Overview:

The Township of Cavan Monaghan adheres to the Property Tax Collection Policy (Finance Report 2008-17) which provides tax collection avenues to promote timely payment of taxes and the authorization to engage services with a Bailiff, Collection Agency or proceed with Tax Registration/Tax Sale proceedings.

In June 2020, there are accounts that are eligible for Bailiff Action (Arrears of 2 years and less than 3 years) and/or eligible for Tax Registration/Tax Sale (3 Years Arrears or more) however, due to the Covid19 pandemic the municipality will temporarily hold all collection accounts until after the final tax due date of October 31, 2020. In November, the municipality will re-commence collection avenues in alignment with the Property Tax Collection Policy and procedures.

The Township of Cavan Monaghan is working closely with local, provincial and federal partners to manage and respond effectively including municipal updates as per the stages of the province's reopening plan due to the COVID-19 pandemic. As of the Council Meeting of March 16, 2020, the municipality has waived penalties during the COVID-19 Pandemic. The municipal public communication on the website and social media forums is as follows;

“The Municipality will waive all late payment penalties for any invoices due during the COVID-19 municipal office closure timeline. Cash payments will not be accepted. All other regular payment options remain available at this time”.

Finance staff administers the collection policies of the Municipality which is applied to departmental municipal billings through penalty/interest calculations, final notices, statements and payment plan arrangements prior to the use of Bailiff and/or Tax Registration/Sale processes.

The use of a Bailiff is utilized for properties in arrears for at least two years and the Tax Registration/Tax Sale process is used for properties in arrears for three years or more.

Bill 68 introduced changes to improve the effectiveness and efficiency of the tax sale process and property tax collection and administration. As a result of Bill 68, Chapter 25, Section 373 (1) of the Municipal Act states that "Where any part of tax arrears is owing with respect to land in a municipality on January 1 in the second year following that in which the real property taxes become owing, the treasurer of the municipality, unless otherwise directed by the municipality, may prepare and register a tax arrears certificate against the title to that land." This provides municipalities with the authority to register tax arrears certificates after a property is two or more years in arrears.

There are also non-tax receivable arrears added to the municipal roll for collection purposes. Types of non-tax receivables are; water & sewer arrears, property standard charges, WSIB fines, OBC orders, municipal infractions, writs, provincial offence fines, etc.

Financial Impact:

The following Taxes Receivable (including interest) are eligible for Bailiff Action or Tax Registration/Tax Sale as of May 31, 2020;

Eligible for Bailiff Action (Arrears of 2 years and less than 3 years)	\$225,695.37
Eligible for Tax Registration/Tax Sale (3 Years Arrears or more)	\$255,302.46

There are also Water & Wastewater Receivables (non-tax receivables) of \$40,786.17 eligible to be added to the municipal roll for collection purposes.

Due to the Covid19 pandemic the finance department will not process the June 2020 water and wastewater arrears to taxes and will temporarily hold all collection accounts until after the final tax due date of October 31, 2020.

In comparison to last year, the Property Tax Arrears eligible for Bailiff/Tax Registration has increased by 63% and the Water & Wastewater arrears eligible to be added to the municipal roll has decreased by 30%.

Respectfully Submitted by,

Reviewed by,

Kimberley Pope
Director of Finance/Treasurer

Yvette Hurley,
Chief Administrative Officer