

Municipality of Lakeshore – Report to Council

Finance

Accounting & Revenue



To: Mayor & Members of Council
From: Michelle Heslop, Team Leader – Revenue
Date: July 14, 2023
Subject: Uncollectible Property Taxes

Recommendation

Authorize the write off uncollectible property taxes for Roll numbers, 3751 050 000 10075, 3751 210 000 07601, 3751 720 000 09301, 3751 720 000 26600, 3751 740 000 14900, 3751 750 000 26801, from previous years in the amount of \$18,544.98, as presented at the September 26, 2023 Council meeting.

Background

The *Municipal Act, 2001*, s.354 allows for the write-off of property taxes under certain circumstances.

Section 354.2(a) states:

The Treasurer of a local municipality shall remove unpaid taxes from the tax roll if,

- (a) The council of the local municipality, on the recommendation of the treasurer, writes off the taxes as uncollectible;

Section 354.4(b) states:

Despite subsection (3), the local municipality may write off taxes under clause (2) (2) without conducting a tax sale under Part XI, (b) if the recommendation of the treasurer under clause (2) (a) includes a written explanation of why conducting a tax sale would be ineffective or inappropriate.

Comments

Below is a list of Roll numbers with uncollectible property taxes, together with an explanation of why a tax sale would be ineffective and not recommended.

Roll Number 3751 050 000 10075 – 0 Talbot Road

This property went to tax sale in August 2022 however there were no bidders. There are taxes owing from 2017, along with administrative costs from the unsuccessful tax sale. It is not recommended to take this property to tax sale again at this time, as it is costly to the municipality and will likely be unsuccessful.

Roll Number 3751 210 000 07601 – 0 Blanchard

This property is a private road in bad repair. The property is owned by a corporation that has not maintained the roadway and has not paid any taxes owing since 2012. The private road is utilized by the adjacent business owners and after consultation with administration, the business owners have advised that they will maintain the road to ensure appropriate access. A tax sale would be ineffective as no one would bid on this property, and the municipality should not vest the property, as the private road requires approximately between 3 to 5 million dollars to repair and would become the responsibility of the municipality.

Roll Number 3751 720 000 09301 – 0 Admiral Drive and Roll Number 3751 720 000 26600 – 0 Peninsula St.

These properties are under water in Lake St. Clair however the Assessment Act states that all property must have an assessed value. Therefore, the Municipal Property Assessment Corporation has reduced the residential assessment as low as possible. Tax sale is not recommended for these properties as the process is costly.

Roll Number 3751 740 000 14900 – 10832 St. Clair Road

This property is a municipal drainage pumping station and is maintained by the Municipality of Lakeshore. This property should be in the name of Lakeshore, however, to make that change is costly. If taken to tax sale, the municipality would have to be the successful bidder and then have a deed registered to change the ownership. Administration does not recommend this procedure at this time as it would be cost more than the taxes to be written off.

Roll Number 3751 750 000 26801 – 0 Hale Street

This property was not included in the registration of the plan of subdivision from 2010 in error. Pending the development of the subdivision, ownership of the land will be transferred to the Municipality.

Others Consulted

The Municipal Property Assessment Corporation, MPAC.

Financial Impacts

The tax reduction portion are as follows:

Municipal portion:	\$3,244.89
County portion:	\$2,576.00
Education portion:	\$3,252.13
Penalty / Drainage and Admin Fees:	\$9,481.96

Total: \$18,554.98

The Municipality's share of the tax arrears write-off includes the municipal portion plus penalty/interest charges totaling \$ 12,726.85. The write-off amount will be an expense charged to the Finance budget centre.

Attachments

Schedule A – Maps of each Roll Number to be written off.

Schedule B – Chart of taxes and penalties to be written off.

Report Approval Details

Document Title:	Uncollectible Property Taxes.docx
Attachments:	- Maps.pdf - Taxes.pdf
Final Approval Date:	Sep 21, 2023

This report and all of its attachments were approved and signed as outlined below:

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Submitted by Justin Rousseau

Approved by Truper McBride