

## CITY OF VAUGHAN

### **EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 25, 2012**

Item 7, Report No. 33, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on September 25, 2012.

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#### **PROPERTY TAX SALE REGISTRATION**

The Committee of the Whole recommends:

- 1) That the recommendation contained in the following report of the Commissioner of Finance & City Treasurer and the Director of Financial Services, dated September 4, 2012, be approved; and
- 2) That Communication C5, confidential memorandum from the Manager of Property Tax & Assessment, dated August 24, 2012, be received.

#### **Recommendation**

The Commissioner of Finance & City Treasurer and the Director of Financial Services in consultation with the Manager of Property Tax & Assessment recommends:

That Council receive this report for information purposes.

#### **Contribution to Sustainability**

This is not applicable to this report.

#### **Economic Impact**

The property tax sale registration process provides an effective tool in the collection of outstanding property taxes since any unpaid taxes become the responsibility of the City. The City must still meet the financial levy obligations to the Region of York and the Province of Ontario for education purposes.

#### **Communications Plan**

Owners of these properties and all interested parties (mortgagees or lien holders) will be notified by registered mail of their property being eligible for registration of a tax arrears certificate, as required by Provincial legislation.

#### **Purpose**

The purpose of this report is to provide Council with information relating to properties that have tax arrears in excess of three years and therefore are eligible to come under the authority of the property tax sale legislation of the Municipal Act.

#### **Background - Analysis and Options**

The tax sale process is commenced under the authority of Part XI of the *Municipal Act, R.S.O. 2001, as amended* for properties in all classes that have tax arrears in excess of three years. Staff utilize the tax sale process as part of an ongoing collection effort.

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For the most part, the City receives satisfactory payment plans or full payment on most property tax accounts with arrears through various collection efforts including, but not limited to, letters and contact by telephone. When these collection practices are no longer effective, the next step is to identify properties as eligible for registration of a tax arrears certificate. This is the first step in the tax sale process. The owners of these particular properties and all/any interested parties (mortgagees or lien holders) will be notified by registered mail of the initiation of this process.

Once a tax arrears certificate is registered on title, the property owner has one year to pay the tax account in full. Failing that, the owner, the spouse, a mortgagee or a tenant occupying the land may enter into an extension agreement with the City. An extension agreement allows additional time for payment of the property tax arrears. The terms of the agreement must be satisfactory to the City Treasurer and approved by Council through a by-law.

If payment in full or a satisfactory extension agreement is not processed during the 1-year period, the City is in a position to proceed with a tax sale to recover outstanding property taxes, late payment charges and costs incurred relating to the tax sale process. Council will be informed if any of the listed properties reach that point.

#### **Relationship to Vaughan Vision 2020**

This report is consistent with the priorities set forth by Council in Vaughan Vision 2020 and the necessary resources have been allocated and approved.

#### **Regional Implications**

There are no Regional implications.

#### **Conclusion**

Finance staff will continue to contact and/or meet with the property owner(s) in an effort to negotiate acceptable payment arrangements.

#### **Attachments**

None – Council will be provided with the confidential list of properties under separate cover.

#### **Report prepared by:**

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