

City of Mississauga Corporate Report



Date: October 19, 2023

To: Chair and Members of General Committee

From: Shari Lichterman, CPA, CMA, City Manager and Chief
Administrative Officer

Originator's files:

Meeting date:
November 15, 2023

Subject

2023 Strike-off of Taxes Deemed Uncollectible

Recommendation

That unpaid taxes, charges, fees, penalties and interest totalling \$169,545.65 as outlined in the corporate report from the City Manager and Chief Administrative Officer dated October 19, 2023 entitled "2023 Strike-Off of Taxes Deemed Uncollectible" be written-off as uncollectible and removed from the tax roll.

Executive Summary

- Section 354 of the *Municipal Act, 2001* allows municipalities to remove unpaid taxes from the tax roll if the Council of the local municipality approves the recommendation of the Treasurer to write off the taxes as uncollectible.
- \$169,545.65 of uncollectible property taxes, charges, fees, penalty and interest on 11 properties is being recommended for write-off.
- All collection efforts in accordance with Corporate Policy 04-02-03, Collection of Outstanding Property Taxes, have been exhausted.

Background

Section 354(2) (a) of the *Municipal Act, 2001* allows for the removal of unpaid taxes from the tax roll if the Council of the local municipality, on the recommendation of the Treasurer, writes off taxes as uncollectible.

Comments

Staff have determined that taxes billed on the 11 properties are uncollectible and the balance of taxes, fees and late payment charges should be written-off. All collection efforts in accordance with Corporate Policy 04-02-03, Collection of Outstanding Property Taxes, have been exhausted. Collection activities included assignment to the Bailiff.

Details of the properties including the reason and amounts being recommended for write-off are provided below.

Roll No.	Ward	Address	Tax Year(s)	Amount
05-01-0-068-07200	7	2515 SHEPARD AVE	2020-2023	\$3,065.60

City purchased the property on July 22, 2020. The property should have been re-classified as Exempt (EN) from taxation as of this date. The property classification has been adjusted to Exempt beginning with the 2021 taxation year. The balance of taxes, fees and late payment charges for the 2020 taxation year should be written-off.

Roll No.	Ward	Address	Tax Year(s)	Amount
05-01-0-068-07300	7	2519 SHEPARD AVE	2020-2023	\$5,205.58

City purchased property on July 3, 2020. The property should have been re-classified as Exempt (EN) from taxation as of this date. The property classification has been adjusted to Exempt beginning with the 2021 taxation year. The balance of taxes, fees and late payment charges for the 2020 taxation year should be written-off.

Roll No.	Ward	Address	Tax Year(s)	Amount
05-01-0-200-17709	7	75 KING ST E	2017-2023	\$470.20

Municipal Property Assessment Corporation (MPAC) duplicated the assessment for a parking space. The legislated deadline to correct the 2017-2019 assessment through an appeal has passed. The taxes for this parking space have been collected on another tax roll. The balance of taxes, fees and late payment charges should be written-off.

Roll No.	Ward	Address	Tax Year(s)	Amount
05-04-0-098-15600	6	0 BRITANNIA RD	2002-2023	\$7,404.84

The property was severed in 2002 and a corresponding apportionment was received from MPAC. The tax roll was expired in 2009. Tax certificates were issued on the new properties advising that all outstanding taxes had been paid. In accordance with the *Municipal Act*, tax certificates are legally binding on the municipality. The balance of taxes for the 2002 taxation year, fees, and late payment charges should be written-off.

General Committee	2023/10/19	3
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Roll No.	Ward	Address	Tax Year(s)	Amount
05-04-0-117-11400	5	0 EGLINTON RD	2007-2023	\$75,510.45

The tax roll was expired on January 1, 2008. The balance of taxes are from a 2008 Assessment Appeal decision that was processed after the tax roll had expired. This account was assigned to the Bailiff for collection. All collection efforts have been exhausted. The balance of taxes, fees and late payment charges should be written-off.

Roll No.	Ward	Address	Tax Year(s)	Amount
05-05-0-113-60124	5	0 AIRPORT RD	2010-2023	\$20,365.43

This was a leased space at Pearson International Airport. The balance is for the 2010 and 2011 taxation years billed as Supplementary taxes in 2012. The account was assigned to Bailiff in 2014 for collections. They were advised by the Company that the space was vacated from the airport in 2012. The tax roll was expired on January 1, 2020. All collection efforts have been exhausted. The balance of taxes, fees and late payment charges should be written-off.

Roll No.	Ward	Address	Tax Year(s)	Amount
05-05-0-113-60166	5	0 AIRPORT RD	2016-2023	\$4,851.16

This was a leased space at Pearson International Airport. The balance is for the 2016 and 2017 taxation years billed as Supplementary taxes in 2019. We were advised that the company vacated the space from the airport in 2019 prior to Supplementary bills being issued. The account was assigned to Bailiff in 2022 for collections. The tax roll expired on January 1, 2020. All collection efforts have been exhausted. The balance of taxes, fees and late payment charges should be written-off.

Roll No.	Ward	Address	Tax Year(s)	Amount
05-05-0-113-60172	5	0 AIRPORT RD	2018-2023	\$8,691.21

This was a leased space at Pearson International Airport. The balance is for the 2018, 2019 and 2020 taxation years billed as Supplementary taxes in 2021. The account was assigned to Bailiff in 2022 for collections. In August 2022, company filed for bankruptcy and this was finalized in Court in April 2023. All collection efforts have been exhausted. The balance of taxes, fees and late payment charges should be written-off.

Roll No.	Ward	Address	Tax Year(s)	Amount
05-06-0-126-18000	7	2000 STAVEBANK RD	2015-2023	\$42,007.53

The arrears are for the 2015-2017 taxation years. The account was incorrectly classified as residential (RT) and should have been exempt (EN). Tax adjustments were processed for 2018-2020 to correct the classification. The deadline to appeal the prior years has passed. The balance of taxes, fees and late payment charges should be written-off.

General Committee	2023/10/19	4
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Roll No.	Ward	Address	Tax Year(s)	Amount
05-07-0-051-18601	1	0 SUNNYCOVE DR	2019-2023	\$930.25

The City purchased this property on May 3, 2019. Realty Services has confirmed that this is park land and that there are no tenants or leases in effect. The property should have been re-classified as Exempt (EN) effective the date of purchase. The property classification has been adjusted to Exempt beginning with the 2020 taxation year. The legislated deadline to adjust the 2019 taxation year has passed. The balance of taxes for the 2019 taxation year, fees, and late payment charges should be written-off.

Roll No.	Ward	Address	Tax Year(s)	Amount
05-15-0-010-18459	8	4975 SOUTHAMPTON DR	2014-2023	\$1,043.40

MPAC duplicated the assessment for a parking space. Appeals to correct the 2020-2022 assessment were completed. The legislated deadline to correct the 2014-2019 assessment through an appeal has passed. The taxes for this parking space have been collected on another tax roll. The taxes, fees and late payment charges should be written-off.

Engagement and Consultation

Collection activities include assignment to the Bailiff and acquiring Legal opinion. For accounts at the airport, staff also consult with GTAA representatives in an effort to collect any outstanding tax balances.

Financial Impact

The tax write-off when approved will be charged back as follows:

City	\$47,208.36
Region	\$71,245.72
Education	<u>\$51,091.57</u>
Total	<u>\$169,545.65</u>

Conclusion

Taxes totalling \$169,545.65 have been deemed uncollectible and should be removed from the tax roll pursuant to section 354(2) (a) of the *Municipal Act, 2001*.



Shari Lichterman, CPA, CMA, City Manager and Chief Administrative Officer

Prepared by: Mouzelle Higgs, Supervisor, Collections