

Report to Council

Report Title: Semi-Annual Tax Arrears to June 30, 2021

Prepared By: Trish Serratore, Chief Financial Officer and Jessica Reinhart, Tax Collector/Jr. Deputy Treasurer

Department: Finance

Date: July 13, 2021

Report Number: FIN2021-20 **File Number:** C11FIN

Attachments: N/A

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2020-20 – Semi-Annual Tax Arrears to June 30, 2021, prepared by Trish Serratore, Chief Financial Officer and Jessica Reinhart, Tax Collector/Jr. Deputy Treasurer for information purposes.

Report:

Background:

Property Taxation is the main revenue source for the Municipality of Brockton to fund its operations. As such, the Municipality must ensure that this major source of revenue is protected and monitored closely. This report shows the level of arrears as of June 30, 2021 and the steps in the collection process to protect these receivables. The tax process is a highly regulated process under the Municipal Act.

Analysis:

Total tax arrears as of June 30th, 2021 are \$571,337.86 which equals 3.34% of the 2021 Levy. The breakdown of tax arrears by year is noted below.

Year	Amount Outstanding	Percentage of Total
2021	\$317,752.99	55.6%
2020	\$163,321.91	28.6%
2019	\$64,943.79	11.4%
2018+	\$25,319.17	4.4%
Total Arrears	\$571,337.86	100.0%

***Note, the above table does not include penalty and interest charges outstanding.**

In May 2021, several supplemental tax bills and write-offs were processed. Many properties at the Walker West Subdivision, Turner Subdivision and JDR Subdivision have been reassessed due to increased housing construction in that area. Supplemental Tax Bills were sent to the residents, with payment due dates of June 30, 2021 and July 30, 2021. The outstanding June supplemental charge amounts are reflected in the above chart, but the outstanding \$39,521.00 due in July is not included. The Municipality realized an additional \$127,943.33 in taxation revenue from the supplemental tax bills that were issued.

Additionally, there have also been several Farm Tax Rebate applications that have been processed for the 2021, thus significantly lowering the outstanding arrears as the offsetting charges will be issued on the Final tax bill in July.

Last year at this time, interest was waived to all residents in light of the COVID-19 pandemic. As a result, residents were less incentivised to pay their current taxes outstanding. Interest charges would resume in July 2020, ending the relief efforts provided by the municipality.

Tax Sales

The Municipality of Brockton currently has a property registered for tax sale, this sale will proceed on the 6th of October, 2021.

Tax Collection Efforts

Listed below are a few of the various tools that staff utilize throughout the year to collect tax arrears:

- Send tax arrears notices (monthly)
- Make calls to those who are within the two-three-year arrears time frame
- Make payment arrangements to accommodate paying current year taxes, as well as any arrears balances

Staff continue to work with residents to ensure their account remains in good standing.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- | | |
|---|-----|
| • Do the recommendations help move the Municipality closer to its Vision? | N/A |
| • Do the recommendations contribute to achieving Cultural Vibrancy? | N/A |
| • Do the recommendations contribute to achieving Economic Prosperity? | N/A |
| • Do the recommendations contribute to Environmental Integrity? | N/A |
| • Do the recommendations contribute to the Social Equity? | N/A |

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective?
N/A

The outstanding taxes has a negative impact on the Municipalities cash flow. However, with MPAC now able to proceed with updated assessments for new construction, the Municipality is able to recover the property taxes for each year that the dwelling was occupied, total increase in revenue equals \$127,943.33.

Respectfully Submitted by:

A handwritten signature in black ink, appearing to read 'Trish Serratore', with a stylized, flowing script.

Trish Serratore, Chief Financial Officer

A handwritten signature in black ink, appearing to read 'Jessica Reinhart', with a stylized, flowing script.

Jessica Reinhart, Tax Collector/Jr. Deputy Treasurer

Reviewed By:

A handwritten signature in black ink, appearing to read 'Sonya Watson', with a stylized, flowing script.

Sonya Watson, Chief Administrative Officer