



**CITY OF HAMILTON**

**CORPORATE SERVICES DEPARTMENT  
Taxation Division**

<b>TO:</b> Chair and Members Audit, Finance and Administration Committee	<b>WARD(S) AFFECTED:</b> WARD 3
<b>COMMITTEE DATE:</b> February 11, 2013	
<b>SUBJECT/REPORT NO:</b> Treasurer's Write-off of Taxes under Section 354 of the Municipal Act, 2001 (FCS13004(a)) (Ward 3)	
<b>SUBMITTED BY:</b> Mike Zegarac Acting General Manager Finance & Corporate Services	<b>PREPARED BY:</b> Larry Friday (905) 546-2424 Ext. 2425
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That approval be given to write-off taxes of \$24,655 for 88 Keith Street as a result of a failed tax sale of the property and subsequent sale of the property by Real Estate closing March 15, 2013.

**EXECUTIVE SUMMARY**

Section 354(3) of the Municipal Act, 2001 allows Council to write-off taxes as uncollectible, upon the recommendation of the Treasurer, after a failed tax sale.

***Alternatives for Consideration – Not Applicable***

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS** (for Recommendation(s) only)

**Financial:** Total taxes to be written off are \$24,655, of which \$987, would be charged back to the English Separate School Board; \$2,082 will be applied to HAMTN 12643.000100 (Water Rate Budget); \$2,082 will be applied to HAMTN 12642.000100 (Sewer Rate Budget); \$11,420 would be charged to HAMTN 12040 000100 (Tax Write-offs); and \$8,084 would be charged to HAMTN 52167-252009 (Penalty and Interest).

**Staffing:** None

**Legal:** None

**HISTORICAL BACKGROUND** (Chronology of events)

The property at 88 Keith Street was offered for tax sale in October 2010 for the taxes owing of \$41,261.95. With the property being a narrow vacant lot, no bids were received on the property, and it was vested over to the City in February 2011. The Real Estate division of Planning and Economic Development then marketed the lot for sale and has a signed offer to sell the property for fair market value closing March 15, 2013.

Over the years, there were numerous property standards issues at the property with an eventual demolition of the home in 2009. Of the taxes outstanding, \$21,206 came from various property standards charges added to taxes, while another \$4,164 was transferred in relation to unpaid water charges.

Real Estate now have an accepted offer on the property for \$20,000 requiring us to now adjust the taxes, based on the selling price, less Real Estate and Legal fees. It is expected that a new home will be built on the site, improving the neighbourhood and increasing the tax base.

**POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS**

Section 354 (3) of the Municipal Act, 2001  
Procedural By-Law 04-299 for the Sale of Lands

**RELEVANT CONSULTATION**

Planning & Economic Development, Real Estate Division  
City Manager's Office, Legal Services Division

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

The sale of the property, for fair market value, allows the City to recover a portion of the taxes and charges applied to this property. Writing off the left-over tax arrears will allow for the sale of the property and will spur development of a new house on a vacant lot thereby increasing the tax base. The City will also no longer be responsible for any maintenance or liability associated with an empty lot.

**ALTERNATIVES FOR CONSIDERATION**

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

N/A

**ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:**

**Strategic Priority #2**

Valued & Sustainable Services

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

**Strategic Objective**

2.2 Improve the City's approach to engaging and informing citizens and stakeholders.

**APPENDICES / SCHEDULES**

None.