



**City of Kingston  
Report to Administrative Policies Committee  
Report Number AP-24-002**

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**To:** Chair and Members of the Administrative Policies Committee  
**From:** Desirée Kennedy, Chief Financial Officer & City Treasurer  
**Resource Staff:** Lana Foulds, Director, Financial Services  
Jeff Walker, Manager, Taxation and Revenue  
**Date of Meeting:** December 14, 2023  
**Subject:** Uncollectible Tax Write-offs and Tax Sale Provisions under the  
Municipal Act, 2001

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**Council Strategic Plan Alignment:**

Theme: Corporate business

Goal: See above

**Executive Summary:**

The purpose of this report, in accordance with the provisions of Section 354 of the [Municipal Act, 2001](#), is to recommend that uncollectible outstanding taxes in the amount of \$663.85 be written off and removed from the tax roll. The municipal portion of these write-offs has been provided for in the annual operating budget.

**Recommendation:**

**That** the Administrative Policies Committee recommends to Council:

**That** Council authorize the City Treasurer to write-off uncollectible taxes in the amount of \$663.85, of which \$556.47 is the City's portion and the amount charged back to the school boards and Downtown Kingston Business Improvement Association (DBIA) is \$99.18 and \$8.20 respectively, for the properties listed in Exhibit A to Report Number AP-24-002.

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**Authorizing Signatures:**

ORIGINAL SIGNED BY CHIEF FINANCIAL OFFICER &amp; CITY TREASURER

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**Desiree Kennedy, Chief  
Financial Officer & City  
Treasurer**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

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**Lanie Hurdle, Chief  
Administrative Officer****Consultation with the following Members of the Corporate Management Team:**

Paige Agnew, Commissioner, Development & Growth Services	Not required
Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives	Not required
Brad Joyce, Commissioner, Infrastructure, Transportation & Emergency Services	Not required

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**Options/Discussion:****Background**

The [Municipal Act, 2001](#) (Act) provides that unpaid property taxes may be removed from the tax roll when the treasurer recommends that the amounts are uncollectible, and Council authorizes the treasurer to remove them from the tax roll. Under the provisions of Section 354 of the Act, uncollectible taxes may be written off, in whole or in part, following an unsuccessful tax sale or if the treasurer includes a written explanation as to why conducting a tax sale would be ineffective or inappropriate. Taxes may also be written off when the property is owned by Canada, a province, a Crown Agency of either of them, or a municipality.

For the purposes of this report, taxes include all amounts added to the tax roll such as penalty and interest charges, amounts added to the tax roll for clean-up with respect to by-law enforcement for property standards or yard clean-up, and/or tax sale fees.

**Analysis**

Staff has identified six properties with outstanding tax balances that are considered uncollectible or no longer payable and should be written-off. Details for each property and reasons for the recommended write-off are provided in Exhibit A attached to this report. The following summarizes the taxes being recommended for write-off:

**Breakdown of taxes by levy category:**

City tax levies	\$	483.70
Penalty and interest charges		<u>72.77</u>
Total City		556.47
DBIA tax levies		8.20
Education tax levies		<u>99.18</u>
<b>Total Uncollectible</b>	<b>\$</b>	<b><u>663.85</u></b>

**Breakdown of taxes by reason category:**

Inappropriate to conduct tax sale	\$	610.83
Failed tax sale – inappropriate for future tax sale		<u>53.02</u>
<b>Total Uncollectible</b>	<b>\$</b>	<b><u>663.85</u></b>

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Properties included in the “Inappropriate to conduct tax sale” category include properties assessed by the Municipal Property Assessment Corporation (MPAC) for a low or nominal value. Many of these properties are small bits of vacant land, often worthless and left orphaned through a subdivision plan exercise or from historic “metes and bounds” descriptions without a benefit of a survey to ensure the entire property was captured. Abutting property owners might be interested in purchasing these parcels; however, the City is not in a position to offer them for sale as the City is not the legal owner. In order to offer property to abutting landowners, the municipality would first have to conduct an unsuccessful tax sale to vest the property in the municipality’s name. Considering the high cost of conducting a tax sale (approximately \$6,000 per property) and the low value of the subject properties, it is impractical to proceed with tax sales in these instances. Staff requests MPAC to review these property values in order to ensure they are assessed correctly at a nominal value and will bring these properties forward on an annual basis to recommend write-off of the uncollectible balances.

Properties included in the “Failed – inappropriate for future tax sale” category include properties that failed to sell through a tax sale process, and it has been determined that there is no benefit to conducting future tax sales. An example of this type of property would be small pieces of orphaned vacant land as outlined above. Staff requests MPAC to review these property values to ensure they are assessed at as low a value as possible and will bring these properties forward on an annual basis to recommend write-off of the uncollectible balances.

**Existing Policy/By-Law:**

[Municipal Act, 2001, S.O. 2001, c. 25](#), as amended

This Act provides that unpaid property taxes may be removed from the tax roll when the treasurer recommends that the amounts are uncollectible, and Council authorizes the treasurer to remove them from the tax roll.

**Notice Provisions:**

None

**Financial Considerations:**

The municipal portion of these write-offs has been provided for in the annual operating budget. Education taxes previously paid to the school boards in the amount of \$99.18 and DBIA taxes in the amount of \$8.20 will be recovered in 2023 from the school boards and Downtown Kingston Business Improvement Association (DBIA) respectively.

**Contacts:**

Jeff Walker, Manager, Taxation and Revenue, 613-546-4291 extension 2484

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**Other City of Kingston Staff Consulted:**

None

**Exhibits Attached:**

Exhibit A - Property Listing – Uncollectible Taxes Pursuant to Section 354 (2) (a)

## Property Listing – Uncollectible Taxes Pursuant to Section 354 (2) (a)

Item	Roll Number	Address	City Taxes	Penalty & Interest	BIA	Education Taxes	Total Write-off	Reason
1	030.110.07740.0000	0 Wellington Street	51.33	9.30	\$ 8.20	25.52	94.35	1
2	040.130.13500.0000	No municipal address	56.82	7.05	-	6.73	70.60	1
3	050.120.12005.0000	0 Carleton Street	116.25	14.57	-	13.77	144.59	1
4	050.120.12010.0000	0 Carleton Street	114.96	14.39	-	13.62	142.97	1
5	060.101.00101.0000	0 Princess Street	42.61	5.36	-	5.05	53.02	2
6	090.050.23394.0000	0 Reginald Bart Drive	101.73	22.10	-	34.49	158.32	1
-	<b>Total Uncollectible Taxes</b>		<b><u>\$ 483.70</u></b>	<b><u>\$ 72.77</u></b>	<b><u>\$ 8.20</u></b>	<b><u>\$ 99.18</u></b>	<b><u>\$ 663.85</u></b>	-

### Breakdown of taxes by reason category

1. Inappropriate to conduct tax sale
2. Failed tax sale – inappropriate for future tax sale