

Background

When properties fall into serious tax arrears, municipalities are able to enforce collection via tax registration (registering a lien on title) and public tax sale if necessary. The authority for tax registration is found in Part XI of the Municipal Act, 2001 and Ontario Regulation 181/03, Municipal Tax Sales Rules.

With the passage of Bill 68, Modernizing Ontario's Municipal Legislation Act, 2017 on May 30, 2017, the Province of Ontario has implemented a number of changes to the Municipal Act, 2001, and some relate to tax registration.

Bill 68 provides the authority for a municipality to enter into tax extension agreements (re-payment plans) under the signature of the Treasurer and without the need for a municipal council to pass a bylaw to that effect.

As well, in the past, a municipality could only register a lien on the title of a property if three years of taxes remained outstanding as at January 1st. In an effort to facilitate the collection of taxes receivable, this legislative change authorizes a municipality to register a lien on title if two years of taxes remain outstanding at January 1st of any year.

In 2017, 224 properties were subject to tax registration. If lien changes were to be adopted in 2018, 350 additional properties could be subject to registration. This estimate is based on historical data. The resulting one-time increased user fee revenue, net of costs, from this action is estimated to be \$370,000 for 2018.

An information strategy regarding the changes to property tax registration will commence in early 2018 with community service announcements and correspondence to affected property owners.

Finance staff will implement this legislative change for 2018.