CAO report to Council CAO027-2025 – Update on Property Tax Arrears

PURPOSE:

To provide Council with information about the status of property tax arrears.

BACKGROUND

In 2023 and again in 2024, upon the strong recommendation of the Municipality's Auditor, in 2024 by resolution, Council authorized the Chief Administrative Officer as common practice moving forward, to initiate proceedings for the collection of tax arrears. As Council was aware, this process would include employing the services of REALTAX when necessary.

At the time, several tax arrears notices (at minimum 4 per year) sent to those ratepayers in arrears 2 yrs + had to date failed to yield results.

(REALTAX is a leader in property tax registration and tax sale services to municipal governments in the province of Ontario.)

RESULTS ACHIEVED TO DATE

Since Nov 2024, tax arrears of 2+years decreased from $172,100 (23 properties) to $38,691 (including interest and penalties). The outstanding arrears balance represents 8 properties whose owners have agreed to payment plans which will see all arrears paid up by Dec. 31/2025, while keeping their current year taxes paid on time and in full, AND 2 properties (combined current arrears balance of $18,700) have escalated to Final Notices.

Unfortunately, it was only upon the threat of collection proceedings through REALTAX—proceedings which they had been warned would result in additional penalties—that several property owners in tax arrears came forward to make payment or enter into payment arrangements; in some cases, individuals did not respond until such proceedings had actually commenced.

With the exception of one individual, every ratepayer who responded to the notice of tax arrears by either making payment or entering into a payment arrangement was respectful in their interactions with staff. Most accepted responsibility for their arrears, expressed embarrassment over the situation, and showed a clear desire to resolve the matter in a timely and cooperative manner.

Refer to attached attachments for more detail with respect to the arrears' status.

Recommendation to Council

-to accept the CAO report to Council CAO27-2025 – Update on Property Tax Arrears.

Dm

Donna Maitland, CAO June 03/2025

2018-2022 TAX ARREARS UPDATE

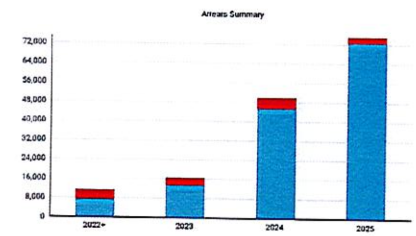
Starting Balance	In arrears since	Arrears Balance	2025 arrears	Notes
$ 4,304.54	prior to 2018	$ -	263.86	Full payment after commencement of tax sale warning letter issued. $0 costs incurred. 2025 interim tax bill in arrears.
$ 20,239.86	prior to 2018	$ -	995.13	Full payment after commencement of tax sale warning letter issued. $0 costs incurred. 2025 interim tax bill in arrears.
$ 1,928.40	*2019	$ 320.00		Repayment plan after tax sale commenced. $620 cost
$ 2,129.79	*2019	$ 471.00		Repayment plan after tax sale commenced. $620 cost
$ 278.20	*2022	$ -		Paid in full once final notice letter issued.
$ 5,542.34	*2021	$ -		Full payment after tax sale commenced. $550 cost
$ 1,172.15	*2019	$ 335.00		Payment plan after commencement of tax sale warning letter. $0 costs incurred
$ 3,591.29	*2020	$ 1,275.06		Payment plan after commencement of tax sale warning letter. $0 costs incurred
$ 16,478.23	*2018	$ -		Full payment after commencement of tax sale warning letter issued. $0 costs incurred. 2025 interim tax bill in arrears.
$ 3,533.30	*2022	$ 412.00		Payment plan after commencement of tax sale warning letter. $0 costs incurred
$ 10,082.91	*2022	$ -	1,821.75	Full payment after commencement of tax sale warning letter issued. $0 costs incurred. 2025 interim tax bill in arrears.
$ 6,726.62	*2021	$ 6,275.00		Payment plan after tax sale commenced. $620 cost
$ 11,120.09	*2022	$ 9,765.63		Repayment plan after tax sale commenced. $620 cost
$ 7,008.34	*2022	$ -	1093.13	Payment plan after commencement of tax sale warning letter issued. $0 costs incurred. Interim tax bill 2025 in arrears
$ 7,975.67	prior to 2018	$ -	1206.22	Full payment after commencement of tax sale warning letter issued. $0 costs incurred. Interim tax bill 2025 in arrears
$ 793.10	*2022	$ -	72.86	Full payment after commencement of tax sale warning letter issued. $0 costs incurred. Interim tax bill 2025 in arrears
$ 2,328.23	*2022	$ -	348.31	Full payment after commencement of tax sale warning letter issued. $0 costs incurred. Interim tax bill 2025 in arrears
$ 4,195.54	*2020	$ -		Full payment after commencement of tax sale warning letter issued. $0 costs incurred.
$ 846.04	*2021	$ 3,840.40	106.82	Proceeded to tax registration. 2025 interim tax bill reflected in balance as is $2930 tax sale registration fees
$ 7,071.43	*2022	$ 1,110.94		Payment plan after commencement of tax sale warning letter. $0 costs incurred
$ 14,258.45	*2020	$ -	1621.58	Full payment after commencement of tax sale warning letter issued. $0 costs incurred. Interim tax bill 2025 in arrears.
$ 28,549.50	*2019	$ -		Proceeded to tax registration. Paid in full. $3900 costs incurred.
$ 11,925.97	*2018	$ 14,885.97	290.66	Proceeded to tax registration. $2960 costs incurred.
$ 172,079.99		$ 38,691.00		

$133,388.99 recovered

$ 18,726.37 tax registration

$19,964.63 payment plans in place

Municipality of Calvin **Arrears Summary**
Produced on 2025-06-04



Tax Year	Taxes	Credits	Total Taxes	Interest	Non-Levy Items	Total
2025	81,594.58	-8,877.04	72,717.54	2,271.13	9,375.54	84,364.21
2024	45,661.47	0.00	45,661.47	4,112.31		49,773.78
2023	13,671.16	0.00	13,671.16	2,407.63		16,078.79
2022+	7,706.22	0.00	7,706.22	3,401.07		11,107.29
Totals	148,633.43	-8,877.04	139,756.39	12,192.14	9,375.54	161,324.07

Breakdown of current taxes: 72,717.54				
Interim	Final	Suppl	Credit	Total
Install 1	Install 1			
81,594.58	0.00	0.00	-8,877.04	72,717.54

COPY

COMMENCEMENT OF TAX SALE PROCEDURES

On numerous occasions you have received correspondence related to your property account which is in serious arrears. To date this account is still in arrears. According to the Municipal Act, if your annual taxes are two or more years in arrears, then the Municipality will provide you with a tax arrears certificate that indicates your property will be sold if you don't pay the outstanding taxes. A tax arrears certificate is attached to this letter.

Please be advised that on November 30th, 2024, the following actions will be taken:

1. Your account will be turned over to an outside company. That company will commence tax sale procedures, pursuant to Part XI of the Municipal Act, 2001. Those procedures may eventually result in your property being sold by the Corporation of the Municipality of Calvin to recover the unpaid property taxes.

2. On the above date the company's minimum fee of $400.00, plus HST, will be added on to your tax account. As the process continues, additional costs will be added to the tax account.

3. A Farm Debt Notice will be sent to everyone appearing in MPAC and municipal records.

4. 30 days from the mailing of this notice a title search will be conducted, a Tax Arrears Certificate will be registered against your property and notices will be sent to the above mentioned as well as everyone with a registered interest on title. If there are any mortgages registered against your property, the mortgage holder(s) will be notified of the tax sale procedures. At this point full payment would be required to stop the process; no partial payment will be accepted.

5. 280 days from the date the Tax Arrears Certificate is registered Final Notices will be sent to all parties.

6. Exactly one-year from the date the Tax Arrears Certificate is registered your property will become eligible for tax sale proceedings. Your property will be advertised for sale and could ultimately be sold.

7. If the property is registered in a corporation's name and the status is cancelled, the property can be advertised for sale 90 days after the date the Tax Arrears Certificate is registered.

8. As tax sale procedures continue, more fees will be added on to your account. Those fees will likely be in excess of $3,000.00.

To avoid these actions this account must be brought into good standing before *November 30, 2024*. You may do so by paying the full amount of taxes due before then, or by submitting to us in writing, a payment plan for the next year, one that would see all taxes owing (overdue prior years, current year, and future year tax amounts) paid up prior to Dec 31, 2025.

To make payment arrangements, please contact the Municipality's Treasury Department by email at treasurer@calvintownship.ca or by calling the municipal office asap to make an appointment to discuss a payment plan.

Regards,

D. Maitland
CAO Clerk Treasurer

Municipality of Calvin
1355 Peddlers Drive, R.R.#2
Mattawa, Ontario P0H 1V0
705-744-2700
www.calvintownship.ca

Municipality of Calvin
Tax Certificate

(Municipal Act, S.O. 2001, c.25 s.352(1) Municipal Statute Law Amendment Act, 2006, c.32, Sched A, s.141)

Prepared For:
Property Owner

MATTAWA, ON,

Date: 2024-11-05
Roll Number:
Owner Name(s):
Property Location:
Legal Description:

C

Assessments

Class	Amount
RTEP-Residential Taxable: Full, English Public	132,000.00
Total:	**132,000.00**

Outstanding

Year	Taxes Levied	Outstanding Balance	Outstanding Interest	Total Outstanding
2024	1,918.31	1,918.31	114.26	2,032.57
2023	1,767.72	1,767.72	372.10	2,139.82
2022	1,672.23	1,672.23	551.40	2,223.63
2021+	1,593.98	8,217.82	5,626.02	13,843.84
Total		**13,576.08**	**6,663.78**	**20,239.86**

2024 interim due date: 2024-03-28
2024 final due date: 2024-09-30

I hereby certify that the above statement shows all the tax arrears against the above lands, and proceedings have not been commenced under the Municipal Sales Act, 2001, within the last eighteen months.

Fee: $45.00 Date: 2024-11-05 CAO/Clerk Treasurer:

Donna Maitland

Important: Interest has been calculated to end of the month in which this Certificate is issued. If payment is not made before the end of the month, further interest will be added at the rate of 1.25% per month or fraction thereof. Errors and omissions excepted. Above does not necessarily include payments made in the last two days.

PROPERTY TAX ARREARS
RE-PAYMENT AGREEMENT

OWNER(S):
Roll Number:
Property Address:
Mailing Address:
Phone Number:
Email Address:

I, the undersigned, as owner of the above noted property undertake to pay the Municipality of Calvin the balance of our existing arrears and penalties, along with any future fillings and interest. Such payments are to be made through the terms we have agreed to and selected below:

Start date:
Payment Amount:
Payment Frequency: Monthly_______ Weekly______Other
Prior to the last business day of each month
Beginning:

Payment method: Post-dated cheques______ In person at the municipal office_____
E-Transfer_____

I am aware that this payment plan requires that in addition to the above payments, all interim and final tax bills must be paid on time.

I am aware that no payment can be missed or reduced and in the case of cheques, all payments must be honored by my bank. If default of payment or this agreement occurs, I am aware that the Municipality of Calvin will proceed without notice to resume tax sale procedures.

Signature:
Date:
Accepted by:

TAX REGISTRATION - STANDARD PROCEDURES

Farm Debt Notices
Send at least 22 business days before proceeding with tax registration
Farm Debt Mediation Act s.21

↓

→ **File may be put on hold**
by clients (up to 11 months without us re-starting the file and charging for it) ***BEFORE*** the TAC is registered

Conduct Title Search
Identify interested parties and confirm lands
s.373(4), 374(1)(2) *Municipal Act, 2001*

↓

Register Tax Arrears Certificate (TAC) on title
anytime after January 1 in the second year following that in which real taxes become owing
s.373 *Municipal Act, 2001*

↓

First Notices Form 1
Must be sent by registered mail to all persons having an interest as shown on title, Sheriff's records and assessment roll within 60 days of registration of TAC
s.374(1)

↓

Statutory Declaration regarding sending of notices
To be prepared immediately after sending notices
s.374(3)

→ **TAC may be cancelled**
within one year of the registration of the TAC by anyone who pays the cancellation price in full.
After the expiry of the one-year period a public sale shall be conducted by the treasurer
s. 375

↓

→ **Extension Agreement**
may be entered into and authorized by municipality before the expiry of the one-year period "stopping the clock" on the countdown to the tax sale at the end of the one-year period
s. 378

Finals Notices Form 3
Must be sent by registered mail to all persons previously sent First Notices between 280 and 310 days from the registration of the TAC
s. 379(1)

↓

Statutory Declaration regarding sending of Final Notices
To be prepared one year following the registration of the TAC
s. 379(1)

↓

Advertise for tax sale
one year following the date of registration of the TAC
s.379 (2)

Note: all legislation sections refer to the *Municipal Act, 2001* as amended, except for the *Farm Debt Mediation Act* where noted.

TAX REGISTRATION - EXPEDITED PROCEDURES FOR CANCELLED CORPORATIONS

Register Tax Arrears Certificate (TAC) on title anytime after there are taxes owing on Cancelled Corporations
s.373.1 *Municipal Act, 2001*

↓

First Notices Form 1
Must be sent by registered mail within **30** days of registration of TAC to Minister of Infrastructure and all persons having an interest in the property as shown on title, Sherriff's records, corporate search and assessment roll
s.374(1)

↓

Statutory Declaration regarding sending of notices
To be prepared immediately after sending notices
s.374(3)

→ **TAC may be cancelled**
within 90 days of the registration of the TAC by anyone who pays the cancellation price in full. After the expiry of the 90 day period a public sale shall be conducted by the treasurer
s. 375(1.1)

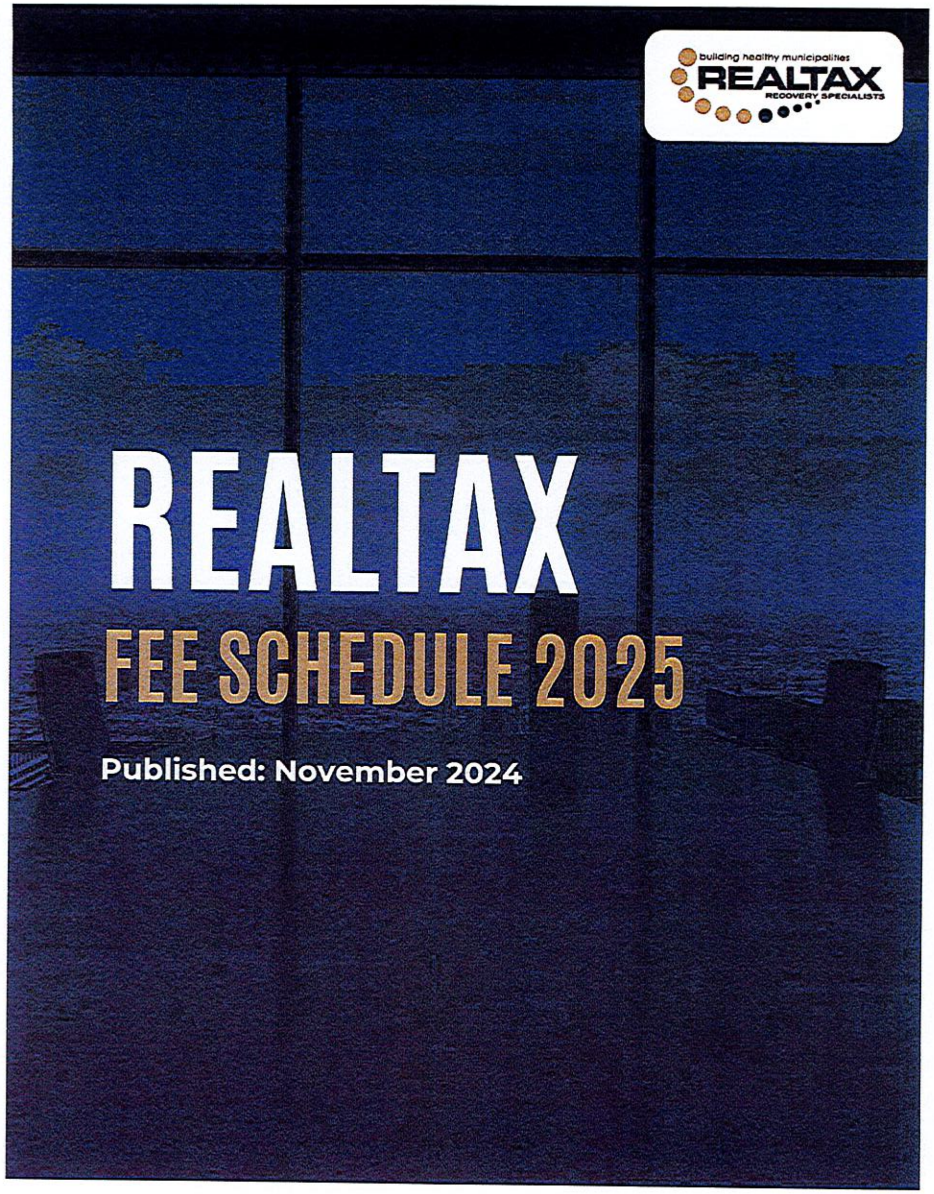
↓

→ **Extension Agreement**
may be entered into and authorized by municipality before the expiry of the 90 day period "stopping the clock" on the countdown to the tax sale at the end of the 90 day period. Consent must be obtained from the Minister of Infrastructure.
s. 378(1.1)(1.2)

↓

Advertise for tax sale
90 days following the date of registration of the TAC (If cancellation price has not been paid or there is no subsisting extension agreement,)
s.379 (2.0.1)

Note: all legislation sections refer to the *Municipal Act, 2001* as amended, except for the *Farm Debt Mediation Act* where noted.



REALTAX

FEE SCHEDULE 2025

Published: November 2024

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RECOVERY SPECIALISTS

Introducing our *New*
Realtax Products for 2025

Realtax is the easiest way for municipalities to collect tax arrears. Having successfully managed over 40,000 files, we've encountered and expertly navigated nearly every conceivable challenge. At Realtax, we understand that every municipality operates differently, and we are committed to offering solutions that align with a municipality's priorities. Realtax is pleased to announce the introduction of two new service packages, tailored to meet the diverse needs of our valued municipal clients.

In addition to our **standard offering (Core)**, Realtax is launching our new **Deferred Payment** and **Fast Track** packages in 2025 to provide more flexibility and control over your property tax registration needs. Whether clients choose to continue with our Core service, gain flexibility with Deferred Payment, or accelerate their tax arrears process with Fast Track, we are here to support our municipal clients every step of the way.

It is important to highlight that all Realtax fees are fully reimbursable. Municipalities can recover these costs by adding them to the property owner's tax roll, ensuring that the financial burden of these services is ultimately borne by the property owner. This allows municipalities to access high-quality, professional services without impacting their own budgets.

1. Core Package (default option)

The Core package remains **our default offering** and **follows the same trusted process municipalities have been accustomed to for over 28 years**. This package ensures reliability and consistency with the tax registration and tax sale process.

Payment is due within 30 days of invoicing, with a 2% monthly late fee applied to overdue amounts. Our Core package is ideal for municipalities that are comfortable with the standard timeline and payment terms. No opt-in is required.

2. Deferred Payment Package (opt-In only; limited spots available)

The new Deferred Payment package is **tailored for municipalities that are more sensitive to their cash flow needs** who would like to delay payment to Realtax until the repayment of tax arrear balances by property owners.

This option allows you to defer payment of Realtax invoices until tax arrears are collected, providing the flexibility to receive payments from property owners before settling your account. Payment is due within 30 days after tax arrears are collected, with a 2% monthly late fee applied to overdue amounts. Spaces are limited, so early enrollment is encouraged -- contact info@realtax.ca to opt-in. Some conditions may apply.

3. Fast Track Package (opt-In only; limited spots available)

For **municipalities needing a faster turnaround**, the Fast Track package is the perfect solution. This option is designed for maximum prioritization, allowing municipalities to **expedite their files and process their tax arrears certificates (TACs) at the quickest speed possible.** Think of it as the first-class priority line at an airport.

Payment is due within 30 days of invoicing, with a 2% monthly late fee applied to overdue amounts. Fast Track is ideal for time-sensitive situations that require immediate action. Spaces are limited, so early enrollment is encouraged -- contact info@realtax.ca to opt-in. Some conditions may apply.

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2025 Fee Schedule

(HST to be added to fees shown below)

Service	Core (default)	Deferred Payment (opt-in)	Fast Track (opt-in)
ENGAGE PROFESSIONAL SERVICES ***Includes*** Notices under the Farm Debt Mediation Act *Engage professional services, advice and communications. Set up file and mirror file. Enter data. Initialize system for tracking documents and statutory deadlines.*	$550	$550	$550
TAX REGISTRATION - PART 1 ***Includes*** Print Parcel Register, conduct execution searches *Obtain and analyze title search and execution search; prepare report on searches, list of interested parties and tax arrears certificate.*	$575	$690	$860
TAX REGISTRATION - PART 2 ***Includes*** Update searches, conduct corporate search if necessary, print First Notices, mail if necessary *Register tax arrears certificate. Register cancellation certificate, tax deed, or notice of vesting when required. Update title search, prepare first notices, prepare treasurer's statutory declaration*	$575	$690	$860
TAX REGISTRATION - PART 3 FINAL NOTICES ***Includes*** Update searches, print Final Notices, mail if necessary	$575	$690	$860
TAX SALE ***Includes*** Update title search, execution search and corporate search when necessary, prepare and mail Form 5 if necessary *Advertisement, paper tender packages, tender opening checklist, notices to higher and lower tenderer, tender rejection form, payment into court requisition and statement of facts (if needed). Tax sale day phone support, post-tax sale day phone support and administration.* *Does not include cost of advertisements, auctioneer's fees nor the cost of a survey, if needed.*	$1,500	$1,800	$2,250
Readvertised Sale - Prepare and send Form 10's, plus fee per notice as shown below	$250	$300	$380
Postponed Tax Sale	$750	$900	$1,130

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Service	Core	Deferred Payment	Fast Track
Additional Fees will be applied for any additional work, including, but not limited to, work resulting from changes to tax sale date, or any other issues that require us to re-do documents or re-calculate cancellation prices.	$200/hr (min 1hr)	$200/hr (min 1hr)	$200/hr (min 1hr)
ADVERTISE ON ONTARIOTAXSALES.CA *This fee is fully recoverable, even if properties don't sell*	$475	$475	$475
Attend tender opening or auction, in person or via Zoom (optional and contingent upon availability)	Please contact us for fees		
FEES FOR SEARCHES AND NOTICES			
Notices under the *Farm Debt Mediation Act (per notice)*	$70	$70	$70
First Notices, Final Notices, Form 5, Form 10 (per notice)	$30	$36	$50
Notices outside of Canada (per notice)	$60	$72	$90
Print Parcel Register (per PIN)	$45	$45	$45
Execution Searches (per name)	$30	$36	$50
Copies of Executions (per writ)	$25	$30	$40
Corporate Searches, if needed (per corporation)	$50	$50	$50
Send Tax Deed or Notice of Vesting to Ministry (per notice)	$60	$72	$75
Additional Tender Packages (each – min. 20 per order)	$25	$30	$40

**Additional fees may apply for complex title searches*