



Report
Staff Report
 The Corporation of the City of Brampton
 9/3/2025

Date: 2025-08-05

Subject: **Status of Tax Collection Accounts and Write-Off of Uncollectible Taxes - 2024**

Contact: Kasia Bielska, Manager, Corporate Collections, Finance

Report number: Corporate Support Services-2025-445

RECOMMENDATIONS:

1. That the report from Kasia Bielska, Manager, Corporate Collections, Finance to the Committee of Council Meeting of September 03, 2025, re: **Status of Tax Collection Accounts & Write-Off of Uncollectible Taxes**, be received; and
2. That the tax account adjustments as listed on Appendix A of this report be approved.

OVERVIEW:

- **The Property Tax Billing and Collection Policy requires annual reporting to the Council outlining the status of the City's overdue tax accounts.**
- **This report provides information on the collection activities and status of property tax accounts that are in arrears.**
- **This report seeks approval from the Committee to write off the balances of various tax accounts as deemed uncollectable under the authority of Section 354 of the Municipal Act, 2001, as set out in the attached Appendix A. Total adjustments, including penalties and interest, are approximately \$253,796.25.**

BACKGROUND:

The Property Tax Billing and Collection Policy (*The Policy*) requires annual reporting to Council on the status of the City's overdue tax accounts. It provides the framework for the administration of the City's property taxes receivable, including the processes to be followed when accounts fall into arrears.

Overdue notices are typically produced twice per year (May and October) for accounts in arrears and are mailed to the taxpayer. Overdue notices provide the taxpayer with the status of their property tax account, showing the amount of taxes in arrears, including any penalties, interest, and items added to the tax roll.

As per *The Policy*, once an account is two years in default, collection letters are sent in the last quarter of each year advising the owner of potential Tax Sale proceedings if the account remains in arrears as of January 1st of the following year. The letter requests payment in full but also extends to the property owner the opportunity to make specific payment arrangements to clear the account.

All tax accounts that are three years or more in arrears will be subject to collection proceedings, which could lead to a tax sale to settle the arrears as provided for by the *Municipal Act, 2001*. A title search will be conducted to confirm the current ownership and identify any parties with a registered interest in the property. The City must provide information on outstanding tax arrears to all parties with a registered interest shown on the property records of the Land Registry Office. Such notice is often successful in securing payment before initiation of the Tax Sale process.

After the third year of default, the City may employ the services of a third party to assist with collection. Since 2006, the City has utilized the services of a bailiff for the collection of tax arrears for both residential and non-residential properties.

If the bailiff is unsuccessful in collecting the tax arrears and the account is still three years or more in arrears, then a "Tax Arrears Certificate" is registered on title for a period of one year. After the "Tax Arrears Certificate" is registered, only full payment of taxes, penalties, interest, and other costs can be accepted by the City.

After the "Tax Arrears Certificate" is registered and the one-year registration period has expired, the property is then liable for Tax Sale.

CURRENT SITUATION:

As of December 31, 2024, the City of Brampton administered 179,213 property tax accounts with an annual combined billing for City, Region, and Education taxes of approximately \$1.42 billion. The total amount of taxes billed but not yet collected (Taxes Receivable) as of year-end 2024 was \$151.2 million or 10.6% of the 2024 billings.

Table 1 - Taxes Receivable Comparison 2023-2024 shows comparative percentages of total taxes receivable as of December 31, 2024, compared to the prior year. These

figures include tax amounts billed in the current year, but with a due date that may fall in the following year (future dues). (future dues).

The figures in Table 1 show that Brampton's annual billing for 2024 increased by approximately \$98.1 million compared to 2023. During the same period the total taxes receivable increased by about \$40.5 million, with the 2024 taxes receivable-to-billing ratio at 10.6%.

2023 Total Annual Billing*	Taxes Receivable December 31, 2023*	2023 Taxes Receivable vs Billing Amount*	2024 Total Annual Billing*	Taxes Receivable December 31, 2024*	2024 Taxes Receivable vs Billing Amount*
\$1,328,217,270	\$110,668,934	8.33%	\$1,426,395,819	\$151,236,859	10.60%

* 2024 Financial Information Report (FIR) preliminary figures

The rising cost of living - including housing, childcare, and food - puts additional pressure on households, making it harder to meet basic needs. It is likely that the high inflation and increased cost of living experienced throughout 2024 have placed pressure on Brampton homeowners' budgets, contributing to an increase in the taxes receivable-to-billing percentage.. The City will continue to use of all its legislated collection tools to collect the outstanding taxes in a fair manner.

A sample of the collection activities performed by Collection staff during 2024 is summarized in **Table 2 – Comparison of Collection Activity (2023-2024)**

Activity	Volume 2023	Volume 2024
Overdue Notices	84,647	89,070
Title Searches	102	249
Tax Arrears Certificates Registered	6	9
Accounts Assigned to Bailiff	234	1,170
Tax Sale	4	2

The City staff identified 31 accounts that are deemed uncollectible. The City has an Allowance for Doubtful Taxes account. When future potential write-off issues such as these are known, revenues are reduced in years leading to the actual write-off and transferred to the Allowance for Doubtful Taxes account. This is done to recognize the potential for write-off and to minimize the effect of the write-off on the City's financial position. The balance in the Allowance for Doubtful Taxes account is approximately \$2.6 million and is sufficient to fund this write-off and other pending issues. As a result, there is no impact upon the City's Current Budget.

Appendix A outlines adjustments to be made to property tax accounts. The property tax accounts are categorized into:

1. Unsuccessful Tax Sale Properties

These properties have undergone the full tax sale process in accordance with Ontario Regulation 181/03: Municipal Tax Sales Rules. Each property has been issued the required notices, including the Notice of Intent and Tax Arrears Certificate, and all necessary tax sale forms were completed. The properties were also publicly advertised for tax sale; however, the process was unsuccessful as no bids were received.

2. Small Balances

These properties reflect small outstanding balances that have accumulated significant additional charges, including fees for new account setup, overdue notices, unadjusted charges and the applicable interest. These added costs have resulted in amounts that are no longer considered collectible for the minimal tax balances.

3. Miscellaneous Properties

0 CASTLEMORE RD – Roll # 10-12-0-003-04510-0000

The rezoning of the subject property was completed under File No. C09E10.010 in 2014; however, the associated land conveyance to the City of Brampton was not finalized at that time. As part of the rezoning process, the original property owners were required to convey certain lands to the City. Due to staff oversight, this conveyance was not completed by the Legal Department until 2024.

A tax appeal to exempt the property effective April 17, 2024, has been successfully processed, and the City has formally taken ownership of the property.

To resolve the outstanding matter related to this property, Council approval is now required to write off the remaining balance.

0 NOT ASSIGNED – Roll # 10-02-0-021-17551-0000

The balance associated with this property is being recommended for write-off due to a nominal reassessment by MPAC, which reflects the property's current value.

Additionally, there was an error in the original registration process, and the previous owners are no longer in existence, leaving no party from whom the balance can be recovered. We are seeking council approval to write-off the current balance.

CORPORATE IMPLICATIONS:

Financial Implications:

The total value of property taxes deemed uncollectible and recommended for write-off, as outlined in Appendix A, is \$253,796.25, including penalties and interest. The City maintains an Allowance for Doubtful Taxes account with a balance of approximately \$2.6 million, which is sufficient to cover this write-off and other pending issues.

Therefore, this write-off has no impact on the current-year budget, as revenues were

reduced in prior years when the risk was identified.

STRATEGIC FOCUS AREA:

This report supports the strategic focus area of government and leadership, focusing on service excellence with equity, innovation, efficiency, effectiveness, accountability, and transparency.

CONCLUSION:

Taxes receivable increases are typically due to the increase in billings resulting from new growth, annual tax levy increases and general economic conditions. In 2024, taxes receivable increased by \$40.5 million. The continued rising cost of living made 2024 a difficult year for many property owners in Brampton.

In 2025, City staff will continue to work with taxpayers and execute appropriate collections activities as directed under the Municipal Act, 2001 and The Policy.

The Municipal Act, 2001 provides the municipality with the authority to perform Treasurer-approved write-offs only when all internal and external collections actions have been exhausted. The write-off amounts for 2024 total \$253,796.25.

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Attachments:

- Attachment 1 – Appendix A: Adjustments to property tax accounts