

**Largest Property Tax Debtors with Tax Arrears
Greater than \$500,000 as at June 30, 2023**

Date: November 14, 2023

To: General Government Committee

From: Controller

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The Confidential Attachment 3 to this report identifies four properties owned by individuals with tax arrears in excess of \$500,000. The Municipal Freedom of Information and Protection of Privacy Act prevents the public disclosure of information that could identify an individual without their consent.

SUMMARY

This report provides information on property tax accounts with outstanding receivables of \$500,000 or more as of June 30, 2023. The total number of properties with outstanding receivable balances of \$500,000 or more is 24, including 20 owned by corporations and four owned by individuals as mentioned above.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council direct that the confidential information contained in Confidential Attachment 3 remain confidential in its entirety.

FINANCIAL IMPACT

The tax arrears identified in this report have been fully provided for in the Non-Program Allowance for Doubtful Tax Receivables Account in prior years. As such, there is no impact on the current year's budget and there are no financial implications arising from this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

In accordance with previous Council decisions, the Controller reports to General Government Committee twice a year providing a list of properties with tax arrears greater than \$500,000. The attached list identifies the assessed corporate property owners, the efforts that have been made to collect the unpaid taxes, and whether a bailiff has been used in collection efforts. See: [Public Disclosure of Tax Arrears Information and Strategy for Aggressive Collection Procedures](#).

In addition, Council has approved procedures in cases where properties with unpaid taxes are known or suspected to be affected by environmental contamination, including the registration of a Tax Arrears Certificate against title to the property.

To view this report and Council's approval, please follow the links below:

Staff Report: [Revisions to Tax Sale Process Resulting from Brownfields Legislation](#)

City Council March 29 and 30, 2006: [Policy and Finance Committee Report 2](#) (page 64).

ISSUE BACKGROUND

Outstanding property tax receivables continue to be monitored and acted upon in a timely manner. The largest debtor accounts continue to be a priority for collection action.

Given that property taxes form a first priority lien on the property, the City's tax receivables are secure with minimal risk of uncollectable taxes. The Revenue Services Division uses both internal collection procedures (e.g., the mailing of overdue notices, telephone contact and ultimately the municipal tax sale process) and bailiffs to collect unpaid property taxes. In addition, the City charges 15% interest per year on overdue taxes. Penalties are applied at a rate of 1.25% on the first day of default and at the beginning of every month thereafter.

The use of municipal tax sale proceedings, as prescribed in the City of Toronto Act, 2006, is a proven and effective tool in the collection of unpaid property taxes. Once taxes are two years or more in arrears, a municipality may register a tax arrears certificate on title to the property.

The debtor has one year from the date of registration of a tax arrears certificate to pay the full cancellation price (the total of all unpaid taxes, all accrued penalties and interest, and any costs incurred by the municipality related to the property). Failing payment within that one-year period, or the entering into of an extension agreement, the

Treasurer is required to proceed to a sale of the property through a public auction or public tender.

COMMENTS

The number of properties with arrears greater than \$500,000 and the value of associated unpaid taxes has improved dramatically since 2000. In total there are 24 properties with a tax receivable balance of \$500,000 or more, totalling approximately \$37.4 million.

There are four properties owned by individuals (Confidential Attachment 3), with approximately \$2.8 million in unpaid receivables. The remaining 20 properties are owned by corporations, with approximately \$34.6 million in outstanding receivables.

Since the last report "[Largest Property Tax Debtors with Tax Arrears Greater than \\$500,000 as at December 31, 2022](#)", of the commercially owned properties, 15 properties have remained on the largest debtors list, eight properties have been removed and five new properties have been added. The removal of eight properties from the list and payments made to the remaining 15 properties have reduced the balance of outstanding receivables by \$3.1 million.

Full commentary on collection efforts can be found in Attachment 1 and Confidential Attachment 3 to this report. A summary of the 20 commercially owned properties (Attachment 1) is included in Table 1.

Table 1: Properties with Tax Arrears Greater than \$500,000 Owned by a Corporation as at June 30, 2023

Year Added	Address	Outstanding Taxes	Change from Last Report
2000	99 Toryork Drive	\$6,143,408	\$192,478
2006	222 Spadina Avenue, Unit 19	\$2,309,993	\$61,527
2006	222 Spadina Avenue, Units 23 - 25	\$2,541,908	\$77,902
2006	222 Spadina Avenue, Units 1 - 6	\$2,218,468	\$74,102
2011	222 Spadina Avenue, Units 20 - 22	\$1,197,365	\$36,485
2013	0 Lake Shore Boulevard West S/S	\$1,254,595	\$31,882
2015	2627 Eglinton Avenue East	\$1,026,653	\$35,803
2015	440 Birchmount Road	\$991,055	\$30,080

Year Added	Address	Outstanding Taxes	Change from Last Report
2015	222 Spadina Avenue, LL	\$926,785	\$31,378
2016	222 Spadina Avenue, Unit 215	\$763,425	\$18,744
2017	25 Glen Watford Drive	\$990,728	\$155,613
2019	600 Queens Plate Drive	\$8,375,662	-\$313,981
2020	2267 Islington Avenue	\$1,346,968	\$217,278
2022	50 Gervais Drive	\$932,425	\$209,143
2022	1814 Jane Street	\$585,853	\$53,452
2022	1500 Birchmount Road	\$582,694	n/a
2023	95-105 Moatfield Drive	\$722,404	n/a
2023	55 Town Centre Court	\$586,509	n/a
2023	1460 The Queensway	\$559,724	n/a
2023	100 Tisdale Avenue	\$532,711	n/a
Total		\$34,589,334	\$911,886

Properties removed from the Largest Debtors List since December 31, 2022

Attachment 2 to this report identifies eight properties, with a value of approximately \$7.0 million, which were removed from the Largest Debtors list since the previous report (as at December 31, 2022). The property taxes on these properties have been paid in full or have balances less than \$500,000.

Table 2 compares the outstanding tax receivables associated with the largest debtors from June 30, 2000 to June 30, 2023.

Table 2: Tax Debtors Greater than \$500,000 - 2000-2023

Tax Year as at June 30	Outstanding Tax Account Receivables	Number of Accounts
2000	\$69.8 million	45
2001	\$43.3 million	36
2002	\$42.1 million	31
2003	\$26.8 million	22
2004	\$25.5 million	22
2005	\$24.5 million	23

Tax Year as at June 30	Outstanding Tax Account Receivables	Number of Accounts
2006	\$24.4 million	21
2007	\$26.7 million	24
2008	\$26.8 million	21
2009	\$24.1 million	21
2010	\$25.4 million	20
2011	\$23.0 million	18
2012	\$23.9 million	18
2013	\$21.1 million	15
2014 ²	\$24.0 million	18
2015	\$24.6 million	22
2016	\$24.0 million	21
2017	\$29.7 million	25
2018 ²	\$23.1 million	19
2019	\$27.6 million	21
2020	\$27.9 million	21
2021	\$42.6 million	30
2022 ²	\$41.3 million	25
2023	\$37.4 million	24

1. All figures from 2000-2006 are as of December 31 of the respective year.
2. There was no Largest Debtor Report in September 2014, September 2018 and September 2022 due to the Toronto municipal election. There was no collection action from March to June 2020 due to Covid-19.

In aggregate, the June 30, 2023 tax receivable for the City's largest tax debtors has decreased by \$32.4 million when contrasted with the first report presented to Council in December 31, 2000. This reduction in tax receivables reflects Revenue Services' improved internal collection processes, including regularly mailing overdue notifications and pro-active monitoring of delinquent accounts, a robust schedule of twice-annual tax sales, and actively assigning overdue accounts to bailiffs to further the City's internal collection efforts. Additionally, the Division has implemented recommendations from the Auditor General's report, [Item AU4.3: Improving Controls Over Property Tax Assessments and Payment in Lieu of Taxes \(PILTs\)](#), that have improved the collection of outstanding property tax receivables.

Tax receivables will continue to be monitored and acted upon in a timely manner. The largest debtor accounts continue to be a priority for collection.

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SIGNATURE

Andrew Flynn
Controller

ATTACHMENTS

Attachment 1: Properties with Tax Arrears Greater than \$500,000 Owned by a Corporation as at June 30, 2023

Attachment 2: Properties Removed from the Largest Debtor List since Last Report

Confidential Attachment 3 - Property Tax Arrears Greater than \$500,000 Owned by an Individual