

COUNCIL POLICIES AND PROCEDURES

SECTION - E

COLLECTION POLICIES

SUBJECT: Valuation Allowance Number E-9

APPROVAL DATE: April 9, 2003

PREAMBLE: It shall be the policy of Council to establish a valuation allowance that reflects more accurately an estimate of future losses on property taxes, business occupancy taxes, area rates, sewer operating, sewer capital, water capital, and interest at year end.

TERMS: Allowance for uncollectible taxes, area rates, user fees and interest shall be established by the following procedure:

A list of all tax receivables including taxes for real property, business occupancy, area rates, user fees, sewer operating and sewer capital charges shall be prepared for review at fiscal year end to determine those receivables that are considered doubtful for collection by management.

1. 100% of **all business occupancy** taxes including area rates on the business occupancy account and interest outstanding at year end, including occupancy accounts where business has closed, is in receivership or has declared bankruptcy.
2. 100% of all taxes, area rates, user fees (Capital and Operating) and interest on accounts **not recommended for tax** sale for reasons outlined by the Municipal Solicitor.
3. 100% of all taxes, area rates, user fees and interest on accounts who are assessed as **“Owners Unknown”**.
4. 100% of all taxes, area rates, user fees (Capital and Operating) and interest on accounts that have been through an **unsuccessful tax sale procedure**, or property value has been seriously impaired by fire or demolition.

5. 100% of all taxes, area rates, user fees and interest on accounts that have been **deleted** by assessment and have outstanding balances that have not been adjusted.
6. 20% of the balance of all current year taxes in arrears.
7. 20% of the balance of all prior year taxes in arrears.
8. 30% of the balance of all taxes two (2) years in arrears.
9. 40% of the balance of all taxes three (3) years or more in arrears.