



**City of Kingston
Report to Council
Report Number 26-071**

To: Mayor and Members of Council
From: Desirée Kennedy, Chief Financial Officer & City Treasurer
Resource Staff: Lana Foulds, Director, Financial Services
Jeffrey Walker, Manager, Taxation & Revenue
Date of Meeting: March 10, 2026
Subject: By-Law Amendment – Scale of Costs for Tax Sale Properties

Council Strategic Plan Alignment:

Theme: Regulatory & compliance

Goal: See above

Executive Summary:

All costs relating to the “tax sale” provisions of the [Municipal Act, 2001](#) under Part XI –Sale of Land for Tax Arrears are eligible to be added to the tax roll for a property that is subject to the tax sale process. By-Law Number 2004-30, “A By-Law to Establish a Scale of Costs to be charged for Work Undertaken for the Sale of Land for Tax Arrears”, as amended, authorizes the costs that can be added to the tax roll when a property is eligible for tax sale proceedings and is undergoing the tax sale process. The by-law requires amendments to more accurately reflect the costs incurred as well as the timing of each phase of the tax sale process.

Recommendation:

That a by-law be presented to amend By-Law Number 2004-30, “A By-Law to Establish a Scale of Costs to be charged for Work Undertaken for the Sale of Land for Tax Arrears”, as amended, as per Exhibit B to Report Number 26-071.

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF

FINANCIAL OFFICER & CITY TREASURER

**Desiree Kennedy, Chief
Financial Officer & City
Treasurer**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

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| Paige Agnew, Commissioner, Growth & Development Services | Not required |
| Jennifer Campbell, Commissioner, Community Services | Not required |
| Neil Carbone, Commissioner, Corporate & Emergency Services | Not required |
| David Fell, President & CEO, Utilities Kingston | Not required |
| Jenna Morley, City Solicitor | Not required |
| Ian Semple, Commissioner, Transportation & Infrastructure Services | Not required |

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Options/Discussion:**Background**

Under the provisions of the [Municipal Act, 2001](#) for properties that have reached two years of property tax arrears, the municipality is permitted to begin a prescribed tax sale process designed to enable the collection of the delinquent amounts. Any costs incurred by the municipality in taking a property through this process can be recovered from the property owner. The legislation provides that costs incurred can be recovered either through a cost recovery approach where actual tax sale costs are added to the tax roll when incurred, or through a scale of costs, whereby a set fee is charged at certain intervals as the property progresses through the tax sale process in order to recover staffing and other costs incurred.

In 2004 the City of Kingston enacted By-Law 2004-30 to fix a scale of costs that would recover legal and other costs associated with the tax sale provisions, pursuant to section 385 of the *Municipal Act*. The costs associated with the tax sale process are monitored and the by-law updated periodically to ensure that all costs are being appropriately recovered from the respective property owner. The by-law was last amended in 2016.

Analysis

The tax sale process involves several stages and varying levels of effort are required as a property moves through each stage. Exhibit A outlines the proposed changes to the current fee schedule in order to recover the costs incurred for each phase of the tax sale process.

Proposed changes to the fee schedule include updates to the various stages of the tax sale process as well as the replacement of certain fixed fees with charges that are based on actual costs incurred through third party billings. These changes will ensure that costs are appropriately recovered at each stage of the process.

Approximately 75 properties become eligible each year to begin the prescribed tax sale process. In most cases, only the initial stages of the process are required in order to collect the outstanding amounts.

By-Law 2004-30, attached to this report as Exhibit B, has been updated to reflect the proposed fee adjustments.

Existing Policy/By-Law

[Municipal Act, 2001](#), as amended, Section 385

City of Kingston By-Law Number 2004-30, as amended

Notice Provisions

There are no notice provisions for this report.

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Financial Considerations

Costs related to the tax sale process are recoverable from property owners by adding the costs to the tax roll for applicable properties.

Contacts:

Lana Foulds, Director, Financial Services, extension 2209

Jeff Walker, Manager, Taxation and Revenue, extension 2484

Other City of Kingston Staff Consulted:

None

Exhibits Attached:

Exhibit A Scale of Costs – Proposed Changes

Exhibit B Draft by-law to amend By-Law Number 2004-30, “A By-Law to Establish a Scale of Costs to be Charged for Work Undertaken for the Sale of Land for Tax Arrears”