

**TOWN OF MIDDLETON
CODE A - GENERAL ADMINISTRATION**

Subject: Reserve for Uncollectible Rates and Taxes

Number: 1.13

Coverage: Staff

Approved by: Council & CAO

Effective Date : October 1, 2001

Revision Date: August 8, 2006

Rationale

This policy establishes uniform practice for the establishment of reserves for uncollectible rates and taxes to safeguard the town against financial shortfall.

Policy Statement

Reserves for uncollectible rates and taxes at the end of the fiscal year shall be established by the following procedure:

- 1) A list of uncollectibles outstanding from prior year billings, that are considered doubtful for collection, shall be prepared for real rates and taxes. If the accounts are owner unknown, have been through an unsuccessful tax sale procedure, or property value has been seriously impaired by fire or demolition, a reserve of 50% of the outstanding account balance shall be established.
- 2) If an account has a two-year-old balance outstanding, then the account reserve shall be 100% if any of the conditions set out above apply. If none of these conditions apply, the reserve rate shall remain at 50%.
- 3) Occupancy accounts outstanding for current year shall have a reserve established in the amount of 50%.
- 4) Occupancy accounts, where business has closed, is in receivership or has declared bankruptcy, shall have a reserve established in the amount of 100%.
- 5) The reason for individual account rate of reserve provision shall be included on the report for audit compliance purposes.

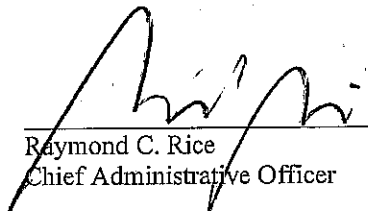
Previous Policies

The previous policy 1/68 "Reserve for Uncollectible Rates and Taxes", approved October 3, 2001, is hereby amended.

Certification

THIS IS TO CERTIFY that this policy was duly passed by a majority vote of the whole Council at a duly called Council meeting held on the 8th day of August, 2006.

GIVEN under the hand of the CAO and under the seal of the Town of Middleton this 5th day of March, 2007



Raymond C. Rice
Chief Administrative Officer