



Meeting Date: November 1, 2023

Submitted by: Tiffany Farrell, Director of Corporate Services

Report No: CPS-44-2023

Subject: Property Tax Sale Update

Recommendation:

THAT Report CPS-44-2023, re: Property tax sale update be received for information.

Purpose:

The purpose of this report is to provide Council with updated information relating to the one remaining property that was part of the Municipal property tax sale on March 8, 2023.

Background:

The Municipal Act allows the municipality to register a Tax Arrears Certificate on any property if taxes remain unpaid for two years prior to January 1st of the current year. If the cancellation price is not paid in full within one year of registration, the municipality may advertise the property for sale locally for four consecutive weeks and in the Ontario Gazette for one week. All tax-sale properties are sold as-is without warranty. Middlesex Centre typically holds a tax sale by way of public tender.

A public tax sale tender was held on March 8, 2023, with a total of 2 parcels being advertised for sale.

One of the parcels was sold through the tender.

The other parcel did not receive bids.

Analysis:

Staff have reviewed the options available for the one parcel that did not sell.

List of options:

1. Council, on the treasurer's recommendation, can write off the taxes pursuant to section 354(2) and (3) of the Municipal Act, 2001 and charge back to the upper tier, school board, or any other levying body for which the municipality collects taxes, its proportionate share of the unpaid taxes that are written off.
2. The municipality may register on title a Notice of Vesting within two years of the tax sale date pursuant to subsections 379(5b) and (7.1). The property will then be owned by the municipality and be tax exempt.
3. The municipality may advertise the property for sale a second time within two years of the tax sale date pursuant to section 380.1. If the taxes have been written off pursuant to section 354, the municipality can usually offer the property at a Minimum Tender Amount that might be more attractive to purchasers.
4. If the municipality has not registered a Notice of Vesting or re-advertised as above within 2 years of the tax sale date, the whole process is deemed to be cancelled. If the municipality wants to continue with the tax sale process as a collection tool, the process will need to be started all over again with the registration of a new Tax Arrears Certificate (subsection. 379(15)).

Staff are recommending that we proceed with #1. A future report recommending the write off of the outstanding tax balances as well as #2, that we vest the property in the municipality's name. The report to write off taxes as well as registered on title a notice of vesting will occur in later in 2023.

Financial Implications:

Write-off of taxes for Parcel #2 – \$4,500.16.

Cost to Vest property - \$100 plus HST

Strategic Plan:

This matter aligns with following strategic priorities:

- Responsive Municipal Government

Staff have prepared this report in order to provide this information to Council and the public to be open and transparent, therefore it responds to Objective 5.3 – Foster a culture of innovation, continuous improvement, and cost-effective services by sharing information and gathering input, by continuing our timely and effective communication to the public.

Attachments:

N/A