

STAFF REPORT TO COMMITTEE OF THE WHOLE

Report Prepared By: Erin Anderson, Director of Financial Services
Meeting Date: July 14, 2020
File No:
RE: **TAX SALE for 2020**

RECOMMENDATION:

That the Committee recommend to Council that the 2020 Annual Tax Sale be deferred until 2021 and that staff be directed to prepare a bylaw accordingly.

EXECUTIVE SUMMARY:

Due to COVID-19, the Province is allowing municipalities to defer the annual tax sale scheduled for September 27, 2020 to September 27, 2021. This option was included in Ministerial Order 159/2020. A bylaw is required if Council chooses this option.

PREVIOUS COUNCIL DIRECTION

None

INTRODUCTION/BACKGROUND:

Each year, by legislation, a Tax Sale is held on the last Monday in September. Properties with 3 years of taxes and/or utilities outstanding are put up for sale at a public auction.

As a result of COVID-19, the Province has allowed the municipalities to determine if they wish to hold a tax sale in 2020. As of July 6, there are 27 properties set for tax sale. This is not an unusual amount at this time of year. There was no tax sale held in 2019 as all properties paid their delinquent taxes by the tax sale deadline.

A bylaw must be adopted before August 31, 2020 if the 2020 Tax Sale is to be postponed. If the delinquent balance is not paid this year, the balance will be rolled to 2021 with interest accruing.

The Tax Sale process starts in late August with letters to each property owner and notification to charge holders. The properties are advertised in the newspaper two weeks prior to tax sale. This process reduces the number of properties on the tax sale list and often a tax sale is avoided as the delinquent balance is paid.

If the tax sale continues on September 28, 2020

- Additional cash-flow

If the tax sale is postponed to September 27, 2021

- Larger balance to pay next year to avoid the sale.
- Less staff time for 2020; potentially more for 2021.

ALTERNATIVES:

Council can choose to continue with the tax sale for 2020.

FINANCIAL IMPLICATIONS:

Unpaid taxes impacts cashflow for the Town.

LEGAL IMPLICATIONS:

Ministerial Order 159/2020 sets out the requirements for the Annual Municipal Tax Sale.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

N/A

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

none

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

- | | |
|--|--|
| <input type="checkbox"/> Complete Community Land Use | <input type="checkbox"/> Low Impact Transportation |
| <input type="checkbox"/> Green Buildings | <input type="checkbox"/> Multi-Use Landscapes |
| <input type="checkbox"/> Innovative Infrastructure | <input type="checkbox"/> Local Food Systems |
| <input type="checkbox"/> Healthy Community | <input type="checkbox"/> Local, Diverse Economy |
| <input checked="" type="checkbox"/> Not Applicable | |

ALIGNMENT WITH STRATEGIC PRIORITIES:

- | | |
|---|---|
| <input type="checkbox"/> Infrastructure | <input checked="" type="checkbox"/> Economy |
| <input type="checkbox"/> Community | <input type="checkbox"/> Not Applicable |
| <input type="checkbox"/> Waterfront | |

I approve the report and recommendation(s).

Erin Anderson, Acting Chief Administrative Officer