



THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE REPORT

Subject: Vesting of Failed Tax Sale Properties
Director: Corporate Services
Manager: Financial Services
Report Number: Financial Services-2023-21
Meeting Date: Wednesday, July 5, 2023

Recommendation:

That Council authorize the vesting of the vacant property with Roll No. 4108-220-002-11700-0000 in accordance with Section 379(7.1) of the Municipal Act; and

Further, that Council authorize Staff to write off taxes in the amount of \$39,015.22 on lands vested by the municipality for the vested properties listed in Schedule A, in accordance with Section 354(2)(a) and (3) of the Municipal Act.

Date to be considered by Council: Wednesday, July 5, 2023

Report Summary:

The purpose of this report is to seek Council approval to vest eligible lands with the municipality and to write-off corresponding property taxes.

Origin: Sale of Land by Public Tender

Existing Policy: Municipal Act, 2001

Background/Analysis:

Sale of Land by Public Tender: A Sale of Land by Public Tender, also referred to as a "Tax Sale", is governed by the Municipal Act, 2001, and Ontario Regulation 181/03. The municipality registers a tax arrears certificate on the title of a property which is in tax arrears for at least two years. This certificate indicates that the property will be sold if the cancellation price is not paid within one year of registration of the certificate. The cancellation price comprises of all outstanding

taxes, interest, penalties and costs incurred by the municipality after the Treasurer becomes entitled to register a tax arrears certificate.

The municipality advertises the property for sale due to non-payment of taxes if the cancellation price is not paid within the one-year of registration of the certificate or a tax extension agreement has not been executed by the property owner.

Right to Vest: Where properties remain unsold after a tax sale, a Municipality has two years within which it may exercise its right to vest (ie. take title to) the unsold properties. This allows the municipality an opportunity to offer the properties for sale a second time and/or investigate whether it wishes to vest title to any or all of the failed tax sale properties. Where a municipality chooses not to vest a property, it does have the right to recommence the tax sale process by registering a new tax arrears certificate. Additionally, the Act provides that prior to sale or vesting, the Treasurer has a right to cancel the proceedings if it is in the municipality's interest to do so.

Subsequent to a failed tax sale, staff engaged in a review of available records for indicators which may affect a decision to vest a property. For instance, indicators of potential hazards, such as environmental contamination or abandoned and deteriorating buildings on the site may be relevant factors.

Tax Sale – December 1, 2022: On December 1, 2022, staff conducted a tax sale under the authority of the Municipal Act for one property. There were no tenders received and this property can now be considered for vesting. The property is described as follows:

Roll Number 4108 220 002 11700 0000

Plan 122 Lot J Victoria E/S; RP 3R7245 Part 1

The subject land is vacant and measures approximately 3,035 square feet. The land is zoned R1 and is landlocked behind properties on Old Victoria St. The location of the land is identified on the attached Schedule B.

It is recommended that the land be vested with the Municipality. The land may be offered for sale as Surplus Lands at a future date. Staff is also recommending that taxes and penalty for this property be written off in the amount of \$6,396.43. This amount is shared proportionately with the County and School Boards.

Tax Sale – February 26, 2020: On February 26, 2020, a tax sale was conducted on the vacant property with Roll Number 4108 260 002 26202 0000 for which there was no successful purchaser. This property has already vested with the Municipality.

Staff is recommending that taxes and penalty for this property be written off in the amount of \$32,618.79. This amount is shared proportionately with the County and School Boards.

Integrated Strategy 2020 - 2025

Financial Implications: Total taxes and penalty to be written off is \$39,015.22. This amount is shared proportionately with the County and School Boards and is funded through the 2023 operating budget.

Attachments:

Schedule A – Property listing;
Schedule B – Property Location Maps

Prepared by: Roxana Baumann

Submitted by: Roxana Baumann