

FINANCIAL MANAGEMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: DEFERRAL OF 2020 TAX SALE – PANDEMIC REOPENING MEASURES

RECOMMENDATIONS:

1. THAT Council approve the deferral of the 2020 annual tax sale to 2021 September 27.
2. THAT Council authorize the City Solicitor to bring forward Burnaby Tax Sale Deferral Bylaw 2020 to implement the deferral of the 2020 annual tax sale.

REPORT

The Financial Management Committee, at its meeting held on 2020 July 07, received and adopted the attached report seeking Council authorization to defer the 2020 annual tax sale to 2021 September 21. The Bylaw appears elsewhere on the Council agenda.

Respectfully submitted,

Mayor M. Hurley
Chair

Councillor S. Dhaliwal
Vice Chair

Copied to:	City Manager Director Finance Director Corporate Services City Solicitor
------------	---

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 June 26

FROM: DIRECTOR FINANCE

FILE: 7815-02

SUBJECT: DEFERRAL OF 2020 TAX SALE – PANDEMIC REOPENING MEASURES

PURPOSE: To obtain approval to defer the 2020 annual tax sale to 2021 September 27.

RECOMMENDATIONS:

1. **THAT** the Financial Management Committee recommend Council approve the deferral of the 2020 annual tax sale to 2021 September 27.
2. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to bring forward Burnaby Tax Sale Deferral Bylaw 2020 to implement the deferral of the 2020 annual tax sale.

REPORT

1.0 INTRODUCTION

In order to support local governments within the COVID-19 financial framework, the Province has enabled municipalities, through Ministerial Order 159/2020, to delay the statutory date for annual tax sale and tax sale redemptions by one year, to 2021 September 27. If Council approves the deferral, a property owner with delinquent taxes (i.e. owing from the 2018 tax year) will be allowed to have one extra year to pay the delinquent taxes before the City places the property in the annual municipal tax sale, which takes place on the last Monday in September each year. The Ministerial Order also allows Council, by bylaw, to extend the redemption period for properties sold during the 2019 tax sale by one year. The bylaws to defer the 2020 tax sale and extend the redemption period must be adopted by 2020 August 31. There is no need for Council to exercise the authority to extend the tax sale redemption period as all sold at the 2019 tax sale have been redeemed.

2.0 POLICY SECTION

Goal

- A Connected Community
 - Partnership –
Work collaboratively with businesses, educational institutions, associations, other communities and governments

- An Inclusive Community
 - Create a sense of community –
Provide opportunities that encourage and welcome all community members and create a sense of belonging

3.0 ANNUAL TAX SALE

A tax sale is a public auction of properties within a municipality which have delinquent taxes, i.e. unpaid property taxes from two years prior to the current year. This process is the City's last resort to collect unpaid property taxes from property owners. Under Section 254 of the Community Charter:

"a municipality must recover unpaid property taxes, including any interest and penalties owing on those taxes, by Tax Sale in accordance with Division 7 [Annual Municipal Tax Sale] of Part 16 [Municipal Provisions] of the Local Government Act".

The annual tax sale for municipalities takes place on the last Monday of September. Properties are sold via public auction to the highest bidder. Once sold at the annual tax sale, property owners have a period of one year to redeem their property. Redemption requires the payment of all outstanding taxes, fees, penalties, interest on taxes, and interest due to the tax sale purchaser at rates prescribed by the Province. If a property owner fails to redeem within the one-year period, then property ownership transfers to the tax sale purchaser.

The 2020 tax sale is due to take place on 2020 September 28. By way of Ministerial Order 159/2020, the Province has authorized municipalities, through a bylaw adopted by Council by 2020 August 31, to defer the 2020 annual municipal tax sale to 2021 September 27. By postponing the tax sale until 2021, any delinquent taxes will remain as delinquent taxes for one more year. 2019 property taxes that remain unpaid in 2021 will also become delinquent and be subject to the 2021 annual municipal tax sale unless the Province authorizes another deferral. Interest will be applied to all outstanding taxes on a daily basis as per rates prescribed by the Province.

To: Financial Management Committee
From: Director Finance
Re: Deferral of 2020 Tax Sale – Pandemic Reopening Measures
2020 July 07..... Page 3

In order to provide relief to property owners who may not be able to pay delinquent property taxes due to the financial impacts of the COVID-19 pandemic, staff propose that Council authorize the City Solicitor to bring forward a bylaw to defer the 2020 municipal tax sale until 2021 September 27. Ministerial Order 159/2020 requires that, within two weeks of the adoption of this bylaw, written notice is to be provided to property owners who are subject to the deferred annual tax sale, advising that:

- (a) the annual tax sale has been deferred to 2021 September 27;
- (b) any taxes that are delinquent will remain delinquent for 2021, with applicable interest charges; and
- (c) unless the delinquent taxes are paid before the start of the 2021 September 27 annual tax sale, the property will be subject to the tax sale.

Public notice of the deferral of the annual tax sale is not required.

4.0 RECOMMENDATION

It is recommended that the Financial Management Committee recommend Council approve the deferral of the 2020 annual tax sale to 2021 September 27 and authorize the City Solicitor to bring forward the Burnaby Tax Sale Deferral Bylaw 2020 to implement the deferral. Staff will provide written notice to the affected property owners, in accordance with Ministerial Order 159/2020, following Council adoption of the bylaw.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:RR / md

Copied to: City Manager
City Solicitor
City Clerk