

TO: MAYOR & COUNCILLORS

FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER

SUBJECT: **SU: TAX SALE MANDATED CHANGES**

PURPOSE: To provide Council with a status update (SU) on the work undertaken between city staff and the Province to improve upon legislative changes as outlined by the Province in Bills 3 and 42 of 2023.

RECOMMENDATION

THAT the report titled “SU: Tax Sale Mandated Changes” dated July 22, 2025, be received for information.

1.0 POLICY SECTION

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.

2.0 BACKGROUND

On the last Monday of September, BC municipalities (Ex. City of Vancouver, which is in November) must conduct an annual tax sale, by offering for sale by public auction each parcel of real property on which taxes are delinquent. Provincial legislation mandates how the tax sale is conducted, and the rules around notification of property owners and related charge holders.

In December 2021, the BC Ombudsperson report issued found failings in the administration of the tax sale process by one BC municipality, dating back to September 2017. In addition to compensation for the claimant, the report outlined five general recommendations for the ministry to implement:

1. Plain language template letters for use by municipalities
2. Best practice guidelines for municipalities to notify a property owner by personal service or registered mail
3. Best practice guidelines for a set notice period prior to tax sale
4. A report on how the upset price (minimum bid price) could be determined
5. Best practice guidelines on how to protect vulnerable property owners

As a response to this report, in July 2022 the Province created a working group to review some of the recommendations. City of Burnaby staff participated in this working group.

3.0 GENERAL INFORMATION

In February 2023 the BC Government put forward Bill 3. The bill added Section 647.1 to the Local Government Act, which introduced the requirement for municipalities to: “notify all owners and charge holders, 60 days before the annual tax sale, either by serving the notice or by sending it by registered mail”. In November 2023, Bill 42 introduced additional minor wording changes regarding the amount of delinquent taxes that must be paid to avoid a property going to tax sale.

At the time of issuance, City of Burnaby staff raised concerns directly with the Ministry regarding the feasibility of the changes being put forward through Bill 3. Challenges cited included:

- Insufficient timing to issue notices 60 days prior to tax sale, due to information required for the notice and the ability to deal with notices that cannot be executed
- Multiple charge holders – leading to multiple notices

In April 2024, following a staff report to Council in March of that year, and in consultation with several lower mainland municipalities, a letter was sent to Anne Kang (the then Minister of Municipal Affairs) from Mayor Hurley. The letter outlined staff concerns regarding the proposed changes by the Provincial Government in how municipalities must undertake the annual Tax Sale process. The primary point of contention being the manner and timing of notifications to property owners and charger holders.

As a result of Burnaby’s letter to the Province, in July 2024 City of Burnaby staff and representatives from 8 other municipalities were invited to participate in a closed working group of the province to address the concerns raised. In November of that year, a new draft of legislation (Bill 13, 2025) was presented to the working group, which made further amendments to those imposed through Bill 3. In June 2025 the new legislation received royal assent and is now in effect for 2025.

Under the revised legislation, timing for the notification of tax sale has been revised to 30 days before the date of the tax sale. In addition, notices prior to tax sale are only required for property owners. While notices come with the requirement for personal service or registered mail, the reduced time window and scope affords municipalities the opportunity to gather the necessary information and contact the property owner in a reasonable timeframe. This change does not remove the existing notification requirement for charge-holders post tax sale, which is standard practice for municipalities.

In summary, the outcome of Burnaby’s appeal to Minister Kang, and subsequent work undertaken by the provincial working group, is legislation that allows municipalities to adhere to the spirit of the ombudsperson’s report, while ensuring that administrative procedures are manageable and efficient.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

Not Applicable.

5.0 FINANCIAL CONSIDERATIONS

Finance budgets are updated annually for any change in costs pertaining to the annual Tax Sale.

Respectfully submitted,

Richard Rowley, Director Finance – Revenue Services

For

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

Attachment 1 – Letter to the Minister of Municipal Affairs – April 15, 2024

Attachment 2 – Council report Tax Sale Mandated Procedural Changes 2024
– March 25, 2024

Attachment 3 – Municipal circular – June 18, 2025

REPORT CONTRIBUTORS

This report was prepared by Richard Rowley, Director Finance, Revenue Services.