



CITY OF BURNABY
OFFICE OF THE MAYOR
MIKE HURLEY
MAYOR

April 15, 2024

Honourable Anne Kang
Minister of Municipal Affairs
Parliament Buildings
Victoria, BC V8V 1X4

Subject: TAX SALE MANDATED PROCEDURAL CHANGES 2024

Dear Minister Kang,

On behalf of the City of Burnaby Council, I am writing to express our concerns regarding the proposed changes to the tax sale process, as outlined in Parts 5 and 6 of Bills 3 – 2023 and 42 – 2023 respectively (the “**Amendments**”) and to request that you delay the effective date of the Amendments for one year in order to consider our concerns.

As you know, the proposed Amendments are in response to recommendations from the Office of the BC Ombudsperson following a complaint regarding a property sold at tax sale in the City of Penticton. While perhaps well intentioned, the Amendments in their current form present a risk of non-compliance on the part of municipal governments, while failing to provide the safeguards sought by the BC Ombudsperson. Please refer to the attached staff report and extracts of both Bills. Our staff have carefully reviewed the proposed changes and have identified several challenges that need to be addressed.

Specifically, we believe that the obligation to notify property owners and charge holders that a property is subject to tax sale by means of registered mail or personal service, no less than 60 days prior to the tax sale is unworkable. The City is mandated to wait for a number of independent taxing authorities (e.g. BC Assessment, Metro Vancouver Regional District etc.) to provide their collection requisitions or taxing rates before finalizing the tax notice, and before identification of delinquent accounts can be verified. As the taxing authority information is generally not provided until April of the given year, based on the current number of delinquent properties that may be subject to tax sale, it is estimated that Burnaby will have to send registered mail and/or personally deliver notices to an estimated 1,000 charge holders and owners in a very short period of time. Additionally, based on past experience with providing post-sale notice, we anticipate a large number of applications for substitute service will be required to come before the Courts to complete service, due to the City's inability to confirm receipt of registered mail or effect personal service. Not only does this impose an unbearable administrative and

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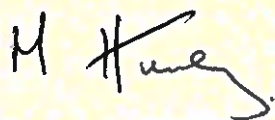
financial burden on Burnaby and other local governments, but it will also overwhelm the Court system with an enormous number of substitute service applications by local governments at a time when there are already pressure on Court services. Given the above, there is a real risk that the City of Burnaby will not be in a position to comply with the requirements for effective service stipulated in the Amendments. Moreover, work performed to try to meet these requirements will in turn detract from existing efforts made by our staff to work with property owners to bring their accounts into good standing prior to tax sale.

Secondly, in our experience a significant number a property owners wait until shortly before the day of the annual tax sale before clearing their outstanding balances. It is also known that financial institutions regularly take action in response to tax sale notices and initiate foreclosure proceedings to avoid the risk of monetary loss in the event of a change in ownership as a result of a tax sale. By mandating that all charge holders are notified in advance of the tax sale, there is a real risk that financial institutions may initiate foreclosure proceedings at this earlier stage, which could result in property owners losing their homes.

Given the above, we believe that these mandated changes are unworkable, and do not guarantee improvements to what is an already well-managed process undertaken by many municipalities. In order to address the shortcomings identified by Burnaby and other municipalities, we believe delaying the Amendments is necessary, coupled with a broader review of the entire tax sale process. Such work should include a review of the upset price in relation to the market value of the property and the rate of interest currently charged on tax sale properties, which is currently set at 10.2%.

We strongly urge the Ministry of Municipal Affairs to take our concerns into consideration and delay the effective date of the Amendments until work can be completed in partnership with municipalities to build a process that is workable and actually achieves the original desired objectives of the office of the BC Ombudsperson.

Yours truly



Mike Hurley
Mayor

Copied to: Office of the BC Ombudsperson
Brian Bedford, Executive Director - Local Government Infrastructure and Finance
Joshua Craig, Director - Local Government Finance
Mayor Malcolm Brodie - City of Richmond
Mayor Brenda Locke - City of Surrey
Mayor Eric Woodward - Township of Langley
Mayor Megan Knight – City of White rock
Mayor Mike Little - District of North Vancouver

Encl: 1. Report - Tax Sale Mandated Procedural Changes March 25, 2024
2. Public Report No. 53 A Bid for Fairness - December 8, 2021
3. Extract from Bill 3 - Municipal Affairs Amendment Act 2023
4. Extract from Bill 42 - Municipal Affairs Amendment Act (No 3) 2023