



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: June 9, 2005
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Meeting Date: July 19, 2005

TO: Vancouver City Council

FROM: General Manager of Corporate Services / Director of Finance

SUBJECT: 2003 Real Property Tax Sale Manifest Error Refunds

RECOMMENDATION

- A That Council approve a refund of the upset price (\$5,152.34) plus six percent interest (approximately \$520.03) in accordance with Section 445 of the *Vancouver Charter* to the purchasers of Legal Lot # SL 90 DL 393 PLAN LMS 2835 (2238 Kingsway) and Legal Lot # SL 16 DL 393 PLAN LMS 2835 (2238 Kingsway) due to a manifest error in the 2003 Property Tax Sale. Source of funding for the interest will come from the 2005 Operating Budget.
- B. That the property taxes as they appeared on the real-property tax roll prior to the sale be restored to the roll.

CITY MANAGER COMMENT

The City Manager RECOMMENDS approval of the foregoing.

COUNCIL POLICY

There is no Council policy.

PURPOSE

The report seeks Council approval to refund the successful purchasers the upset price paid plus interest due to a manifest error in the 2003 Property Tax Sale in accordance with Section 445 of the *Vancouver Charter*.

BACKGROUND

The Vancouver Charter requires that real properties with unpaid property taxes delinquent for two years are offered for sale by public auction each year. Successful purchasers of property are required to pay the upset price which is the sum of the delinquent taxes, penalty interest and registration charges payable to Land Title Office.

If during the redemption period, Council is satisfied that a manifest error has taken place in the sale or proceedings, Council may, by resolution provide that the purchase price be returned to the purchaser with interest at six percent and restore the taxes to the real-property tax roll.

DISCUSSION

City staff was in communication with the principal of Great West Development Corp. to obtain payment for delinquent taxes and interest prior to the tax sale. It was not until after the tax sale that the principal made it known that the company was dissolved. Further investigation revealed that this company was dissolved in April 11, 2003 by the Registrar of Companies for failure to file annual reports.

As per the *Escheat Act*, the ownership of these properties reverted to the Provincial Crown, which is required to hold these lands for two years in case the dissolved corporation is reinstated. As the two year period has now expired the Collector of Taxes, in consultation with Legal Services, expects to put them up for tax sale this year.

In the meantime, the City must deal with the results of the 2003 tax sale. This report recommends that since the City chose not to complete the sale at that time because of the escheatment issue, the purchase prices be returned to the successful bidders, together with the requisite interest.

FINANCIAL IMPLICATIONS

The City will have to pay interest of approximately \$520.03 (six percent per annum) to the purchasers of the properties. Funding will be provided from the 2005 operating budget.

CONCLUSION

The 2003 Tax Sale contained a manifest error which resulted in two properties being sold that in fact had, by operation of law, escheated to the Crown. Council approval is required to refund to the two purchasers their purchase price with interest of six per centum per annum.

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