



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Report Date: September 28, 2006  
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Meeting Date: October 17, 2006

TO: Vancouver City Council  
FROM: General Manager of Corporate Services/ Director of Finance  
SUBJECT: Redemption Instalments for Property Tax Sales

#### RECOMMENDATION

- A. THAT Council approve enactment of a new Redemption Instalments By-Law to provide for the acceptance by the Collector of Taxes of instalments against the future redemption of real property sold for real property taxes, and to specify the terms and conditions upon which such moneys shall be received and held.
- B. THAT the Director of Legal Services be authorized to prepare the new by-law, generally as set out in Appendix A.

#### CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of the foregoing.

#### COUNCIL POLICY

*There is no applicable Council policy.*

## **PURPOSE**

The purpose of this report is to seek Council approval to create a new By-law to allow for the Collector of Taxes to accept redemption instalments for parcels sold at tax sales and to prescribe the terms and conditions upon which the instalments shall be received and held.

## **BACKGROUND**

Section 422 of the Vancouver Charter describes the annual tax sale of parcels with delinquent taxes. Section 437 of the Vancouver Charter outlines that the owner(s) have one year from the date of the tax sale to redeem the parcel.

Section 449 of the Vancouver Charter provides Council the authority, by by-law, to provide for the acceptance of instalments against the redemption of real property sold for real property taxes and to specify the terms and conditions upon which these instalments can be received and held.

## **DISCUSSION**

The Vancouver Charter provides for the collection of delinquent taxes through an annual tax sale. Each year, in November, the Collector of Taxes will offer for sale by public auction properties on which any unpaid taxes have been delinquent for a period of two years. The properties are sold, at minimum, for the amount of the delinquent taxes plus administration fees (Upset Price) to the highest bidder who is declared the purchaser.

The purchaser has the right to purchase the property at the end of one year from the date of the tax sale if the owner(s) have not redeemed their property by paying all the required taxes plus applicable interest and penalties. During this redemption period the owner(s) continue to have every right and interest in the property. Title transfer to the purchaser only occurs after the one year redemption period if the owner does not redeem the property and the purchaser pays the balance of the purchase money and all taxes owing.

The owner(s) may redeem the property from the tax sale process by paying to the City the Upset Price plus interest to the date of redemption. This by-law will allow for instalments towards this total amount required for redemption.

## **FINANCIAL IMPLICATIONS**

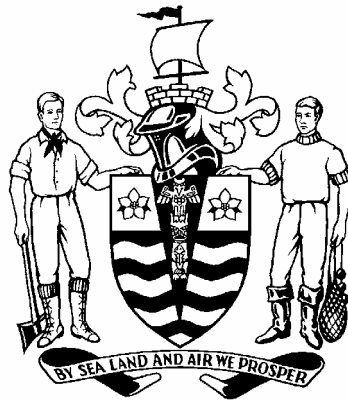
There is no financial impact to the City in allowing redemption instalments. It simply provides an additional payment option to owners of tax sale parcels to redeem their property during the year following the tax sale.

## **CONCLUSION**

To facilitate a taxpayer who may wish to redeem their property by making instalment payments to be applied to the redemption of their property, it is recommended that Council, by bylaw, authorize the Collector of Taxes to accept moneys towards future redemption of real property sold for real property taxes.

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CITY OF VANCOUVER  
BRITISH COLUMBIA



REDEMPTION INSTALMENT BY-LAW NO. \_\_\_\_\_

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BY-LAW NO. \_\_\_\_\_

**A By-law to provide for acceptance  
by the Collector of Taxes of instalments  
against the redemption of real property  
sold for real property taxes**

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

**Acceptance of instalments**

1. Within one year from the day on which the annual tax sale of any parcel begins, the Collector of Taxes for the city may accept, from the owner of that parcel or any person having an interest in the parcel, or from any person on behalf of either of them, one or more instalments of money for application at a future date in redemption of that parcel.

**Authorization**

2. A person who wishes to pay to the Collector an instalment must submit to the Collector, with that instalment, an authorization, in the form prescribed by the Collector, for the Collector to hold, apply, and dispose of the instalment in accordance with this By-law.

**No interest accruing**

3. No interest is to accrue on any instalment paid to the Collector.

**Application of instalments**

4. If the Collector, during the redemption period for a parcel, receives money which, together with the aggregate of any instalments received under this By-law in respect of such parcel, is sufficient to redeem the parcel, the Collector must apply the aggregate of such instalments toward the payment necessary for redemption of the parcel.

**Refund of instalment**

5. If:
- (a) a person applies to the Collector, in the form prescribed by the Collector, for the return of any instalment paid by that person; and
  - (b) the Collector has not applied such instalment in redemption of a parcel, or the redemption period has expired without payment of the money necessary to redeem the parcel;

the Collector must refund such instalment to such person.

