



## ADMINISTRATIVE REPORT

Report Date: September 22, 2011  
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Meeting Date: October 4, 2011

TO: Vancouver City Council  
FROM: General Manager of Financial Services/Director of Finance  
SUBJECT: Property Tax Sale Manifest Error

### ***RECOMMENDATION***

THAT Council approve the refund of the purchase money paid to the City plus six percent interest in accordance with the tax sale provisions and Section 445 of the *Vancouver Charter* due to a manifest error in the 2010 Property Tax Sale to the purchasers of the two properties legally described as:

- PID No. 023-787-180 Strata Lot 16 District Lot 393 Group 1 New Westminster District Strata Plan LMS2835 and
- PID No. 023-787-929 Strata Lot 90 District Lot 393 Group 1 New Westminster District Strata Plan LMS2835

Source of funding for the interest of \$1,462.69 will be the 2011 Operating Budget.

### ***GENERAL MANAGER'S COMMENTS***

The General Manager of Financial Services recommends approval of the foregoing.

### ***COUNCIL POLICY***

There is no applicable Council Policy.

### ***PURPOSE***

The report seeks Council approval to refund to the successful purchasers the purchase money paid to the City plus interest in accordance with the tax sale provisions of the *Vancouver Charter* due to a manifest error in the 2010 Property Tax Sale.

***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 to the City the sum of the delinquent taxes, penalty interest, and registration charges payable to the Land Title Office.

If during the redemption period (one year after the tax sale), the City becomes aware that a manifest error has occurred in the sale or the proceedings, Council, under section 445 of the *Vancouver Charter*, may by resolution provide for the money paid to the City to be returned to the purchaser with interest at six percent.

***DISCUSSION***

The City last conducted its annual tax sale on November 3, 2010. The tax sale included two properties which were once owned by Great West Development Kingsway Corp. Great West Development Corp. was dissolved as a corporation, resulting in both properties escheating (transferring) to the Province.

The escheatment was not reflected on the assessment roll and as a result, taxes continued to be levied on the properties, even though due to the escheatment, they were no longer subject to municipal taxation according to section 396 (1)(a) of the *Vancouver Charter*.

The properties were purchased in 2010 by a new owner who paid the outstanding taxes related to the period prior to the time of escheatment. However, not all the relevant information was received before the 2010 tax sale was held.

Because the properties were technically not subject to taxation after they escheated to the Province, the properties should not have been included in the tax sale. Situations such as this are rare, but are identified by the City's review procedures prior to the end of the one year redemption period.

It is recommended that Council declare a manifest error in relation to the two properties, and refund the money paid to the City, with interest, to each purchaser.

***FINANCIAL IMPLICATIONS***

The City is required to return the money paid to the City, plus six percent interest. Interest for one year totals \$1,462.69 and funding will be provided from the 2011 operating budget.

***CONCLUSION***

The 2010 Tax Sale contained a manifest error involving 2 properties. Council approval is required to refund the money paid to the City with interest of six percent to the purchasers before the redemption date of November 3, 2011.

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