



ADMINISTRATIVE REPORT

Report Date: May 30, 2014
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VanRIMS No.: 08-2000-20
Meeting Date: June 24, 2014

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

RECOMMENDATION

THAT Council cancel the tax sale and approve the refund of the purchase price of \$1,647.39 plus six per cent interest to the purchaser in accordance with Section 445 of the Vancouver Charter due to a manifest error in the 2013 Property Tax Sale of the following property legally described as:

PID 024-255-343 LOT 5 PLAN LMS3667 DISTRICT LOT 526 NEW WESTMINSTER
UNDIV 875/16233 SHARE IN COM PROP THEREIN.

Source of funding for the interest of \$62.29 will be the 2014 Operating Budget.

REPORT SUMMARY

The report seeks Council approval of a cancellation of a tax sale and a refund to the purchaser of the purchase price paid plus interest due to a manifest error in the 2013 Property Tax Sale, in accordance with Section 445 of the *Vancouver Charter*.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Section 445 of the Vancouver Charter states:

If, during the period of redemption, the Council is satisfied that a manifest error has taken place in the sale or in the proceedings leading to the sale, the Council may, by resolution and after giving notice to the purchaser, cancel the sale to that purchaser.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

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

REPORT***Background/Context***

The *Vancouver Charter* requires that real properties with unpaid property taxes delinquent for two years are offered for sale by public auction each year. If the property is sold at tax sale, the property owner has one year to redeem the property by paying the taxes outstanding. In almost all cases, property owners will redeem their properties.

Successful bidders (purchasers of property) are required to pay the upset (purchase) price which is the sum of the delinquent taxes, penalty interest, and registration charges payable to the Land Title Office. The actual cost of the property and related improvements is not paid by the bidder until 12 months has passed from the time of the tax sale without redemption of the property by the owner. In almost all cases of tax sale, the owner redeems the property.

If during the redemption period (one year after 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 cancel the tax sale and provide that the purchase price be returned to the purchaser with interest at six per cent.

The City conducted its annual tax sale on November 13, 2013 and the tax sale included property folio no. 090-761-79-0005. Prior to the tax sale, the property owner made a payment towards four separate properties, including this property. Due to a clerical error, the payment was applied to a different property (folio no. 090-761-79-0006), leaving unpaid delinquent taxes on this property. The property should not have been included in the 2013 Property Tax Sale.

Financial Implications

The City is required to return the upset (purchase) price of \$1,647.39 paid by the successful bidder, plus six per cent interest. Interest applicable totals \$62.29 and funding will be provided from the 2014 operating budget.

CONCLUSION

The 2013 Property Tax Sale included a manifest error involving one property. Council approval is required to refund the purchase price with interest of six percent to the purchaser before the redemption date of November 13, 2014.

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