



WHAT WE EXAMINED:

HOW CAN MUNICIPALITIES ENSURE FAIRNESS IN THE TAX SALE PROCESS?



WHAT IS A TAX SALE?

The process through which municipalities collect unpaid property taxes by selling properties two years after unpaid taxes are first due



MS. WILSON'S SITUATION

- Vulnerable person who did not pay \$10,000 taxes due to personal challenges despite having the funds
- Home assessed at \$420,000
- Home sold by City of Penticton for \$150,000
- Ms. Wilson evicted and lost significant equity in her home

WHAT WE FOUND:

CITY OF PENTICTON

Failed to adequately consider whether Ms. Wilson needed help and did not contact a public body that could assist her

Inadequate, inconsistent, and inaccurate descriptions of the tax sale process in the City's correspondence to Ms. Wilson made the process unfair



15

Communications to Ms. Wilson from the City of Penticton about her property taxes and the tax sale of her home



MOST

Communications contained errors and/or deficiencies

MINISTRY OF MUNICIPAL AFFAIRS

The statutory scheme that governs tax sales is unjust



There are no guidelines to protect vulnerable people during property tax sales



5 OF 6 RECOMMENDATIONS ACCEPTED:



1

The City of Penticton:

Compensate Ms. Wilson in the amount of \$140,922.88



4

Amend the *Local Government Act* to require a municipality to provide notice by registered mail or personal service before a tax sale



2

The Ministry of Municipal Affairs:

Develop plain language template letters for tax sales



5

Examine whether the *Local Government Act* should establish a starting price at auction that reflects the assessed value of a property



3

Develop guidelines to notify a property owner before a tax sale occurs (interim measure)



6

Issue best practice guidelines about how municipalities are to protect vulnerable property owners within the tax sale scheme