

---

**To:** Mayor and Council

**From:** Kelly McDonald, Director of Finance/Treasurer

**Meeting Date:** October 21, 2024

**Subject:** Report # FIN-012-2024 Municipal Tax Sale Process

---

## Recommendation

Be It Resolved that Council of the Township of Clearview hereby receive report FIN-012-2024 (Municipal Tax Sale Process) dated October 21, 2024, for information.

## Background

This report is to provide some background information to Council on the Municipal Tax sale process and the upcoming tax sale planned for November 21, 2024.

The municipal tax sale legislation, as outlined in the Municipal Act, allows properties with property taxes two or more years in arrears to be sold by the Municipality to facilitate the collection of past due taxes.

In February 2023, Clearview Township registered 18 properties for tax sale through our tax consultants Real Tax. The Township traditionally registers properties that are three years in arrears as the legislation allows registration after two years was only passed a few years ago. Staff work with constituents who are in their second year of arrears in order to reduce the number of registered properties and the impact on collection and administration.

Of the 18 properties registered, only 1 property remains eligible to be sold for tax sale by Public Tender. With the assistance of our tax sale consultants, Real Tax, the next tax sale is scheduled to be held in person at the Township office on November 21, 2024.

The list of properties along with information sheets for each property will be reviewed by Senior Management to determine if there are properties the municipality may have an interest in pursuing for municipal purposes prior to publication. Any properties identified will be brought to Council for direction.

Eligible properties will be advertised for sale in the local newspaper (The Creemore Echo), the Ontario Gazette and on our website prior to the sale and as required by the Municipal Act.

## Comments and Analysis

### Tax Sale Process

The tax sale process is used by the Municipality to recover unpaid property taxes through the sale of a property that is in arrears.

The Township carries out recovery of tax arrears in accordance with legislation and municipal policies and procedures.

A Tax Arrears Certificate (lien on title of the property) may be registered where any part of tax arrears is owing on January 1<sup>st</sup> in the second year following that in which the property taxes become owing. Currently, Clearview registers only those properties that are three years in arrears based on prior legislation. Going forward, Clearview will follow the new legislation and register properties that are two years in arrears.

The registration of a Tax Arrears Certificate on title of a property, is the starting point for the timing of the sale and the sending of legislative notices. Once registered, a property may be advertised and sold by the municipality if taxes, penalties, interest and reasonable costs incurred by the Township (the cancellation price) are not paid within one year.

Tax sales must be advertised per legislation, in a local newspaper for four consecutive weeks, in the Ontario Gazette for one week and on the Township's website.

Once a Tax Arrears Certificate has been registered, partial payments cannot be accepted, except upon the Treasurer or designates' approval of an extension agreement, arranged with the owner or interested party (as described by legislation) prior to the expiry of the one-year period.

Tax sales may be held by Public Tender or Public Auction. The tax sale process must be conducted as prescribed by Ontario Regulation 181/03 Municipal Tax Sale Rules.

The Public Tender process requires the successful purchaser to pay the amount tendered plus accumulated taxes, penalties, interest, reasonable costs incurred by the Township during the tax sale process, GST/HST if applicable and the relevant land transfer tax within 14 days of being declared. A tender deposit (required as per legislation) is forfeited to the municipality if the transaction is not completed within the 14 days.

Tenders are opened in a public forum on the date and time advertised. Following the opening, the Township review all tenders for legislative compliance and determines the two highest qualified tenders. Rejected tenders are returned by registered mail or as otherwise specified as per the tender documents, to the tenderer along with their deposit and reason for rejection.

If a municipality recognizes a need for a property for municipal purposes, they may participate in the tax sale process by submitting a tender or taking part in a public auction.

All properties sold through the tax sale process are sold without any warranties, are as is and the Municipality has no obligation to provide vacant possession or assurances.

The Township reserves the right to withdraw any property from the tax sale process at any time prior to registration of a tax deed without notice.

The Township does not provide legal advice in respect of tax sales or any other matters.

Following a successful tax sale, any purchase amount in excess of the cancellation price, if over \$250.00 are paid into the Court. No earlier than 90 days after the payment is made into court, and within 10 years after the payment into court, any person believing they have an entitlement to the funds may apply to the court outlining their claim and the rationale for their entitlement to the funds. If there is no application made within 10 years after the payment into court was made, the amount paid into court along with accrued interest is deemed forfeited to the Crown in the right of Ontario.

Any tax sale declared unsuccessful (no successful purchaser), may be vested by the municipality, re-advertised for tax sale within two calendar years or left in the ownership of the current owner.

If the municipality decides to vest ownership of the property, the property taxes and all associated tax sale cost are removed from the taxes receivable and charged back proportionately to all the levying bodies (County and School Boards).

## **Highlights**

- 2024 Tax Sale Date – November 21, 2024, at 3:00pm
- Only 1 property is currently eligible for tax sale
- The property is vacant and unoccupied
- The property owners have received up to 35 written notices that taxes are outstanding

## **Financial Implications**

### **Clearview's Strategic Plan**

The above initiative supports the following strategic pillars:

- Communication

## **Report Appendices**

Appendix A – Form 6 Property Sale by Tender

### **Approvals**

**Submitted by:** Kelly McDonald, Director of Finance/Treasurer

**Reviewed by:** John Ferguson, CAO

**Financial Implications  
Reviewed by:** Treasurer

**Approved by:** CAO



**FORM 6**  
**SALE OF LAND BY PUBLIC TENDER**  
*Municipal Act, 2001*  
Ontario Regulation 181/03, Municipal Tax Sale Rules

**SALE OF LAND BY PUBLIC TENDER**

**THE CORPORATION OF THE TOWNSHIP OF CLEARVIEW**

**Take Notice** that tenders are invited for the purchase of the land(s) described below and will be received until 3:00 p.m. local time on November 21, 2024, at the Township of Clearview Municipal Office, 217 Gideon Street, Stayner Ontario.

The tenders will then be opened in public on the same day as soon as possible after 3:00 p.m. at the Township of Clearview Municipal Office, 217 Gideon Street, Stayner.

**Description of Lands:**

1. Roll No. 43 29 010 011 10205 0000; CONCESSION 8 RD.; PIN 58224-0091 (LT); PT LT 1 CON 8 NOTTAWASAGA AS IN OS57135; CLEARVIEW; File No. 23-15

According to the last returned assessment roll, the assessed value of the land is \$79,000.00

**Minimum tender amount: \$14,999.22**

Tenders must be submitted in the prescribed form and must be accompanied by a deposit of at least 20 per cent of the tender amount, which deposit shall be made by way of a certified cheque/bank draft/ money order payable to the municipality.

**Except as follows, the municipality makes no representation regarding the title to or any other matters relating to the land(s) to be sold. Responsibility for ascertaining these matters rests with the potential purchasers. The assessed value, according to the last returned assessment roll, may or may not be representative of the current market value of the property.**

Pursuant to the Prohibition on the Purchase of Residential Property by Non-Canadians Act, S.C. 2022, c. 10, s. 235 (the "Act"), effective January 1, 2023, it is prohibited for a non-Canadian to purchase, directly or indirectly, any residential property, as those terms are defined in the legislation. Contraventions of the Act are punishable by a fine, and offending purchasers may be ordered to sell the residential property.

The municipality assumes no responsibility whatsoever for ensuring bidders/tenderers comply with the Act, and makes no representations regarding same. Prospective bidders/tenderers are solely responsible for ensuring compliance with the Act and are advised to seek legal advice before participating in this sale.

Transfers of properties that contain at least one and not more than six single family residences and are transferred to non-residents of Canada or foreign entities, are subject to the Province's Non-Resident Speculation Tax (NRST).

This sale is governed by the *Municipal Act, 2001* and the Municipal Tax Sales Rules made under that Act. The successful purchaser will be required to pay the amount tendered plus accumulated taxes and any taxes that may be applicable, such as a land transfer tax and HST.

The municipality has no obligation to provide vacant possession to the successful purchaser.

A copy of the prescribed form of tender is available on the website of the Government of Ontario Central Forms Repository under the listing for the Ministry of Municipal Affairs.

For further information regarding this sale and a copy of the prescribed form of tender, visit:

**[www.OntarioTaxSales.ca](http://www.OntarioTaxSales.ca)**

or if no internet access available, contact:

Celine Anderson  
Deputy Treasurer  
The Corporation of the Township of Clearview  
217 Gideon Street  
P.O. Box 200  
Stayner ON L0M 1S0  
705-428-6230 Ext 225

[www.clearview.ca](http://www.clearview.ca)

*FOR ABBREVIATED AD, SEE NEXT PAGE ...*

---

## **ABBREVIATED AD Pursuant to *Municipal Tax Sale Rules Section 5(4)***

► *INSERT MUNICIPAL LOGO IF DESIRED* ◀

### **SALE OF LAND BY PUBLIC TENDER THE CORPORATION OF THE TOWNSHIP OF CLEARVIEW**

**Take Notice** that tenders are invited for the purchase of the land(s) described below and will be received until 3:00 p.m. local time on November 21, 2024, at the Township of Clearview Municipal Office, 217 Gideon Street, Stayner Ontario.

**Description of Lands:**

1. Roll No. 43 29 010 011 10205 0000; CONCESSION 8 RD.; PIN 58224-0091 (LT); File No. 23-15;  
**Minimum Tender Amount: \$14,999.22**

**Except as follows, the municipality makes no representation regarding the title to or any other matters relating to the lands to be sold. Responsibility for ascertaining these matters rests with the potential purchasers.** This sale is governed by the Municipal Act, 2001 and the Municipal Tax Sales Rules made under that Act. A full copy of the tax sale advertisement and further information about this matter is available on line at [www.OntarioTaxSales.ca](http://www.OntarioTaxSales.ca) or [www.clearview.ca](http://www.clearview.ca) or you may contact Celine Anderson, Deputy Treasurer, The Corporation of the Township of Clearview, 217 Gideon Street, P.O. Box 200, Stayner ON L0M 1S0, Telephone 705-428-6230 Ext 225

---

### **NOTES TO MUNICIPALITY (not part of published ad):**

The full Form 6 ad must be published the first week of publication however an Abbreviated Ad in the above format may be published for the second, third and fourth weeks if that will be less expensive for you.

### **Municipal Tax Sale Rules (excerpt) Sections 2 and 5(4)**

2. If the land is advertised for sale in a newspaper,

- i. during the first week, the advertisement in the newspaper shall be in Form 6,
- ii. during the second, third and fourth weeks, the advertisement shall either be in Form 6 or shall contain the information set out in subsection (4), and
- iii. if the advertisement is not in Form 6 during one or more of the weeks described in subparagraph ii, the treasurer shall make a copy of the advertisement in Form 6 available on a website of the treasurer's choosing during those weeks that the advertisement is not in Form 6.

5(4) If Form 6 is not used for a newspaper advertisement in one or more of the weeks described in subparagraph 2 ii of subsection (3), the advertisement shall contain the following information during those weeks that the advertisement is not in Form 6:

1. The name of the municipality or board.
2. The street address and municipality in which the land is located or, if there is no street address, the location of the land.
3. The deadline for receiving tenders.
4. The minimum tender amount (*set out the cancellation price as of the first day of advertising*).
5. The following statements:
  - i. This sale is governed by the *Municipal Act, 2001* and the Municipal Tax Sales Rules made under that Act.
  - ii. Further information about this matter is available online at (website address), or you may contact (contact information for the municipality or board, such as address, email address, telephone number, and one or more contact names). O. Reg. 571/17, s. 4.