

Failed Tax Sale Properties - Vesting

Presented To: Planning Committee

Meeting Date: February 26, 2024

Type: Routine Management Reports

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Recommended by: General Manager of
Corporate Services

File Number: N/A

Report Summary

This report provides a recommendation to vest two vacant properties.

Resolution

THAT the City of Greater Sudbury authorizes the vesting of a vacant property at 410 Municipal Road 10, Whitefish, legally described as PIN 73396-0186(LT), part of Lot 2, Concession 6, part 1 on plan SR3017, Township of Louise; and vacant property on Morgan Road, Chelmsford, legally described as PIN 73343-0043(LT), part of Lot 6, Concession 1, Township of Morgan;

AND THAT a by-law be prepared authorizing the vesting, in accordance with the *Municipal Act, 2001*, as outlined in the report entitled “Failed Tax Sale Properties - Vesting”, from the General Manager of Corporate Services, presented to the Planning Committee meeting on February 26, 2024.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

As part of the Strategic Plan a goal is to focus on fiscal sustainability and long-term financial planning. Failed Tax Sale properties are vested in the name of the municipality and through the circulation process may be declared surplus and sold.

Financial Implications

The total cost associated with vesting the properties is approximately \$260, which includes the title search expenses and registration cost of the Notices of Vesting.

Background

Sale of Land by Public Tender

A Sale of Land by Public Tender, also referred to as a “Tax Sale”, is governed by the *Municipal Act, 2001*,

(the “Act”) and Ontario Regulation 181/03 (the “Municipal Tax Sale Rules”). By following the process set out in the legislation, the municipality has an opportunity to recover tax arrears by selling the land which is in arrears.

The municipality registers a tax arrears certificate on title to a property which is in tax arrears for at least two years. This certificate indicates the property will be sold if the cancellation price is not paid within one year of the certificate registration date. The cancellation price comprises of all outstanding taxes, interest, penalties, and costs incurred by the municipality after the Treasurer becomes entitled to register a tax arrears certificate.

The municipality will advertise a property for sale, due to non-payment of taxes, if the cancellation price is not paid within the one-year registration date of the certificate or a tax extension agreement has not been executed by the property owner.

Right to Vest - General

Where a property remains unsold after a Tax Sale, the Act provides that a municipality has two years within which it may exercise its right to vest (i.e., take title to) the unsold property. This allows the municipality an opportunity to offer the property for sale a second time and/or investigate whether it wishes to vest title to a failed tax sale property. Where a municipality chooses not to vest a property, it does have the right to recommence the tax sale process by registering a new tax arrears certificate. Additionally, the Act provides that prior to sale or vesting, the Treasurer has a right to cancel the proceedings if it is in the municipality’s interest to do so.

After a failed tax sale, staff engage in a review of available records for indicators which may affect Council’s decision to vest a property. For instance, indicators of potential hazards, such as environmental contamination or abandoned and deteriorating buildings on the site may be relevant factors.

Tax Sale – April 4, 2022

On April 4, 2022, the City of Greater Sudbury conducted a Tax Sale under the authority of the Act. A total of thirty-three properties were advertised for sale. The outcome of the sale is noted below:

- Twelve properties were sold;
- Fourteen properties were cancelled from the tender process as they were either paid in full or cancelled by the City;
- Five properties did not receive any tenders. In the spring of 2023, four of these properties were vested with the City, leaving one property to be considered for vesting; and
- Two properties were forfeited as the tenderers did not proceed with the transfer. One of the properties was readvertised for sale in the November 1, 2022, Tax Sale and sold, leaving one property to be considered for vesting.

The remaining two properties, identified below, were reviewed by staff and are considered suitable to vest for municipal purposes.

1. TS #19-36 – 410 Municipal Road 10, Whitefish (Vacant Land)

The subject property is irregular in shape, measures approximately 2,833 square metres in size and is zoned Rural (RU). The location of the subject land is identified on the attached Schedule ‘A’.

Staff recommends that this property be vested and subsequently circulated to determine if the property could be declared surplus and sold.

2. TS #19-212 – Morgan Road, Chelmsford (Vacant Land)

The subject property is irregular in shape and measures approximately 2,599 square metres in size. The property is zoned 'EP', Environmental Protection and falls within the Vermilion River Provincially Significant Wetland. The Green Space Advisory Panel report identified the subject property (together with a vast area of wetland) as having green space potential and classified the land as Ecological Reserve. The location of the property is identified on the attached Schedule 'B'.

Staff recommends that this property be vested and retained for municipal purposes.

The deadline to vest is April 4, 2024.

Resources Cited

Municipal Act, 2001, [Municipal Act, 2001, S.O. 2001, c. 25 \(ontario.ca\)](#)

Ontario Regulation 181/03: Municipal Tax Sales Rules, [O. Reg. 181/03: MUNICIPAL TAX SALES RULES \(ontario.ca\)](#)

Sale of Land by Public Tender – April 4, 2022

<https://www.greatersudbury.ca/city-hall/tax-services/sale-of-land-by-public-tender/pdf-documents/results-for-sale-of-land-by-public-tender-april-4-2022/>

Final Report of the Green Space Advisory Panel, 2010, page 108, Number Location 3-64

<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=25248>