



## 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