



## TAX SALE INFORMATION

### Tax Sale Process

The following information is intended to provide a general overview of the *Tax Sale* process. For legislation regarding the *Annual Municipal Tax Sale* refer to the *Local Government Act* in particular, but not limited to, *Part 11 Sections 403 to 428* [www.bclaws.ca/Recon/document/ID/freeside/96323\\_15](http://www.bclaws.ca/Recon/document/ID/freeside/96323_15)

The District of Highlands is required by the *Local Government Act* to sell at *Tax Sale* all properties whose taxes have not been paid in 3 years and are therefore in a delinquent status.

The *Local Government Act* gives the Collector authority to sell a property for the **Upset Price** which is the sum of all outstanding taxes (including delinquent, arrears & current) + penalties + interest + 5% tax sale costs + Land Title Office fees.

The District makes no representation express or implied as to the condition or quality of the property being offered for sale.

Prospective bidders are urged to inspect the property and to search the title of the property in advance to determine if there are any charges registered against the property or other conditions which may affect the value or suitability of the property.

Once the property has been sold at a *Tax Sale*, the Registered (Original) Owner has up to one year to redeem the property (see Redemption section). This is referred to as the 'Redemption Period'.

If the property is not redeemed after the 1-year period the Purchaser will be deemed the new 'Registered' Owner. An application will be made to register the property in the New Owner's name with the Land Titles Office. The new Registered Owner is then required to pay Property Sales Tax to the Provincial Sales Tax Administrator. Information about the Property Sales Tax can be found at the following website:

[http://www.sbr.gov.bc.ca/business/Property\\_Taxes/Property\\_Transfer\\_Tax/ptt.htm](http://www.sbr.gov.bc.ca/business/Property_Taxes/Property_Transfer_Tax/ptt.htm)

### Advertising

The *Local Government Act* requires the municipalities to publish a *Tax Sale Ad* in at least 2 issues of a newspaper. The District of Highlands advertises the *Tax Sale Ad* in the local Goldstream Gazette.

The last publication must be at least 3 days and not more than 10 days before the date of the *Tax Sale*.

The legal description, street/civic address and **Upset Price** must be published.

To avoid your property being listed in these *Tax Sale Ads*, the delinquent taxes plus related interest must be paid approximately 2 weeks prior to the *Tax Sale* date.

## Tax Sale

At 10:00 am on the last Monday in September, at the municipal hall located at 1980 Millstream Road, Victoria, BC, the Collector (who may act as auctioneer) must conduct the *Tax Sale* by offering for sale by public auction each parcel of real property for which taxes are in a delinquent status.

Should the Tax Sale process not be completed by the municipal office's closing, the Collector may adjourn the *Tax Sale* to the same hour on the following day, and from day to day until each parcel is disposed of.

The Collector may also offer for sale at the *Tax Sale* the other improvements on the real property that are taxable under this *Act* and on which taxes are delinquent.

Bidding is accepted on all properties.

The minimum bid is the amount of the **Upset Price** therefore all bidding will begin with the **Upset Price** amount.

If no bidding takes place within 3 calls by the Collector, the District is declared the Purchaser at the **Upset Price**.

## Purchasing Property

The successful bidder is required to have their Social Insurance Number (SIN) or Business Number (BN) and/or corporate seal if required.

Payment is to be in the form of cash, certified cheque or money order for at least the **Upset Price** at the close of the *Tax Sale*.

The remainder of the successful bid over the **Upset Price** must be received by 3:00 pm on the day of the *Tax Sale*.

If full payment is not received by 3:00 pm on the day of the *Tax Sale*, the Collector will offer the property for sale again the following day at 10:00 am.

## Rights During Redemption Period

*Part 11 Section 421 of the Local Government Act* provides that when real property is sold at *Tax Sale*, all rights held by the 'Registered' Owner who owned the parcel at the time of the *Tax Sale*, immediately cease to exist, except for the right of redemption, the right to bring an action to set aside the *Tax Sale*, and the right of possession.

The Registered Owner's right of possession is subject to the Purchaser's right to bring action against the Registered Owner for waste (ie. damage or destruction to the parcel) and the right of the Purchase to enter onto the property to maintain it in the proper condition and to prevent waste.

Damage, destruction or loss of property during the redemption period is at the risk of the Purchase. The Purchaser is advised to insure his interest in the property.

## **Notifying Registered Owners**

The Collector is required by law within 90 days after the *Tax Sale* to give written notice of the *Tax Sale* and of the date the redemption period ends either by serving the notice or by sending it by registered mail to all Registered Owners shown on the Title of the property sold.

## **Assessment and Taxes During the Redemption Period**

The property which has been sold at *Tax Sale* and is still within the 1-year redemption period must continue to be assessed and taxed in the name of the original Registered Owner, however, the Purchaser has the option of paying that year's taxes to avoid any additional penalties for late payment. This amount must be added to the amount required to redeem.

## **Property Redeemed**

The Original Owner has one year after the property is sold at *Tax Sale* to redeem or buy back their property. The redemption is done by paying or tendering to the Collector the following amounts:

- the **Upset Price** of the parcel at the time of the *Tax Sale*;
- interest on the **Purchase Price** at a rate set by the Province
- all costs which the Collector has received notice that have been incurred by the Purchaser in maintenance of the real property and in prevention of waste;
- property taxes advanced or paid by the Purchaser for the year in which property is within the 1-year redemption period.

Upon redemption of a parcel, the Purchaser is entitled to receive from the District ALL amounts paid by the Purchaser, together with interest at the rate set by the Province up to the date of the redemption.

## **Property Not Redeemed**

If the property is not redeemed within the redemption period of 1-year by the Registered Owner, the Collector registers the Purchaser as the New Owner at the Land Titles Office in Victoria, thus cancelling all previous registered charges, except for those matters set out in *Section 276 of the Land Title Act* and any lien of the Crown, improvement district or local district.

After the registering application is complete, the new Registered Owner is required to pay the Property Sales Tax to the Provincial Sales Tax Administrator.