



OFFICE OF CITY COUNCIL

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14 June 2024

Honourable Anne Kang
Minister of Municipal Affairs
Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Kang,

On behalf of the City of Prince George, we write to express concern regarding the proposed changes to the tax sale process, as outlined in Parts 5 and 6 of Bills 3 – 2023 and 42 – 2023 respectively (the “Amendments”) and to request that you work with municipalities to address concerns.

As you know, the proposed Amendments are in response to recommendations from the Office of the Ombudsperson following a complaint regarding a property sold at tax sale in the City of Penticton. While perhaps well intentioned, the Amendments in their current form present a risk of non-compliance on the part of municipal governments, while failing to provide the safeguards sought by the BC Ombudsperson.

Our staff share the concerns expressed by other municipalities. Specifically, we believe that the obligation to notify property owners and charge holders that a property is subject to tax sale by means of registered mail or personal service, no less than 60 days prior to the tax sale is unworkable. The City is mandated to wait for several independent taxing authorities (e.g. BC Assessment as one example) to provide their collection requisitions or taxing rates before finalizing the tax notices and before identification of delinquent accounts can be verified. As the taxing authority information is generally not provided until April of the given year, this adds additional pressures to this process without a recognized benefit.

Additionally, based on past experience with providing post-sale notice, we anticipate a large number of applications for substitute service will be required to come before the Courts to complete service, due to the City’s inability to confirm receipt of registered mail or effect personal service. Not only does this impose an unbearable administrative and financial burden on the City of Prince George and other local governments, but it will also overwhelm the Court system with an enormous number of substitute service applications by local governments at a time when there is already pressure on court services. Moreover, work performed to try and meet these new requirements will in turn detract from existing efforts made by our staff to work with property owners to bring their accounts into good standing prior to tax sale.

Also, in our experience a significant number of property owners wait until shortly before the day of the annual tax sale before clearing their outstanding balances. It is also known that financial institutions regularly take action in response to tax sale notices and initiate foreclosure proceedings to avoid the risk of monetary loss in the event of a change in ownership as a result of a tax sale. By mandating that all charge holders are notified in advance of the tax sale, there is real risk that financial institutions may initiate foreclosure proceedings at this earlier stage, which could result in property owners losing their homes.

We believe that these changes are unworkable and do not guarantee improvements to an already well managed process. We believe a broader review of the entire tax sale process should take place. We strongly urge you to take our concerns into consideration and work in partnership with municipalities to build a process that is workable to achieve the original desired objectives of the BC Ombudsperson.

Sincerely,

Prince George City Council

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