



City of North Bay Report to Council

Report No: CORP-2024-080

Date: September 6, 2024

Originator: Margaret Karpenko

Business Unit:

Department:

Corporate Services

Financial Services Department

Subject: Vesting of Failed Tax Sale Properties

Closed Session: yes no

Recommendation

That Council approve the vesting of PCL 7132 SEC WF; PT LT 13 CON 3 Widdifield being PT W 1/2 of E 1/2 as in LT84629; S/T LT63692, LT 74984; North Bay; District of Nipissing, Roll No. 050-065-31400-0000 and PCL 1166 SEC WF; PT LT 7 CON 4 Widdifield as in P7442; North Bay; District of Nipissing, Roll No. 050-064-36801-0000

Background

Section 373 (1) of the Municipal Act 2001, S.O. c.25, as amended provides that where any part of tax arrears is owing with respect to land in a municipality on January 1 in the second year following that in which the real property taxes become owing, the treasurer of the municipality may prepare and register a tax arrears certificate against the title to the land.

Tax Arrears Certificates were registered on the above-noted lands on August 12, 2021 and September 9, 2021. Property owners are given one year from the date of registration to pay the cancellation price in full or enter into an extension agreement with the City of North Bay. If it is not paid in full or if there is no subsisting extension agreement, then the property is advertised for sale as per Section 379 (2) of the Municipal Act 2001, S.O. c.25, as amended.

Required Notices under the Municipal Act were mailed to the property owner(s) and interested parties. The properties were advertised for public sale once in the Ontario Gazette and for four (4) consecutive Saturday's and on the City's Tax Sale Web page as described within the Notice By-law. The Tender Closing Date was October 5, 2022.

Where properties remain unsold after a Tax Sale held by a municipality, the Municipal Act, 2001, provides that a municipality has two years within which it may exercise its right to vest (ie. take title to) the unsold properties. The City of North Bay has the option of registering a Notice of Vesting which would vest the property in the name of the City of North Bay. Otherwise, the City may also 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.

The subject properties did not receive any tenders (remain unsold) and can be considered for vesting. The below properties were circulated internally as well as discussed at Senior Management to determine if there are any environmental concerns with the property and if the properties should be considered for vesting. Staff are recommending vesting the below properties:

1. PCL 7132 SEC WF; PT LT 13 CON 3 Widdifield being PT W 1/2 of E 1/2 as in LT84629; S/T LT63692, LT 74984; North Bay; District of Nipissing, Roll No. 050-065-31400-0000
 - Taxes deemed uncollectable, write off tax balance \$10,570.60
 - Zoned Rural (A) SPC, 10 acres not accessible by road
 - Subject property is adjacent to aggregate resource operations and is likely to contain aggregate as well. Has potential to act as a wayside pit and quarry in future.

2. PCL 1166 SEC WF; PT LT 7 CON 4 Widdifield as in P7442; North Bay; District of Nipissing, Roll No. 050-064-36801-0000
 - Taxes deemed uncollectable, write off tax balance \$14,129.74
 - Zone Rural (A) SPC, 0.281 acres with 201.88 feet of frontage on Widdifield Station Road
 - City owns property bisected by ONR rail. Long term potential for: Widdifield station Rd and ONR railway crossing improvements.

The deadline to vest the properties is October 5, 2024.

Financial/Legal Implications

The financial implications are contained herein.

There is sufficient budget within general government write-off/tax reductions.

Corporate Strategic Plan

- | | |
|---|--|
| <input type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

- Ensure the efficient and effective operations of the city, with particular consideration to the impact of decisions on the property tax rate.

Options Analysis

Option 1:

That Council approve the vesting of subject properties into the ownership of The Corporation of the City of North Bay.

Option 2:

That Council does not approve vesting and recommence the tax sale process by registering a new tax arrears certificate.

This is not the recommended option. The properties have been advertised for tax sale and received no bid submissions. If they are not being considered for vesting at this time the properties would be registered with a new tax arrears certificate and be offered for sale in a year while continuing to accrue property taxes and registration and advertisement costs.

Recommended Option

That Council approve the vesting of PCL 7132 SEC WF; PT LT 13 CON 3 Widdifield being PT W 1/2 of E1/2 as in LT84629; S/T LT63692, LT 74984; North Bay; District of Nipissing, Roll No. 050-065-31400-0000 and PCL 1166 SEC WF; PT LT 7 CON 4 Widdifield as in P7442; North Bay; District of Nipissing, Roll No. 050-064-36801-0000

Respectfully submitted,

Name: Margaret Karpenko, CPA, CMA
Title: Chief Financial Officer /Treasurer

I concur with this report and recommendation

Name: Ian Kilgour, MCIP, RPP
Title: Director, Community Services

Name: Peter E.G. Leckie, B.A. (Hons.), LL.B.
Title: City Solicitor

Name: John Severino, P.Eng., MBA
Title: Chief Administrative Officer

Personnel designated for continuance:
Name: Margaret Karpenko, CPA, CMA
Title: Chief Financial Officer /Treasurer