



Information Factsheet

2018 Tax Sale

The purpose of this information circular is to provide information in response to frequently asked questions. It is not intended to be a complete review of the law pertaining to tax sales. For more information on tax sales consult the **Local Government Act Sections 645 to 672**.

Information in this circular deals with:

1. What is the tax sale?
2. When is the tax sale?
3. Calculating the upset price
4. Being deemed the successful tax sale purchaser
5. The redemption period
6. Redeeming the property from tax sale
7. Transfers of property after the redemption period expires

1. What is the tax sale?

By statute, a Collector of a municipality **must** offer for sale properties that have delinquent taxes plus interest outstanding. Taxes levied in 2016 are considered delinquent for the 2018 tax sale.

The tax sales will be conducted in an open public auction by the Collector or designate. A legal description, civic address, and upset price will be read out loud. Bidding will start at the upset price.

2. When is the tax sale held?

The Local Government Act states that each year, if there are properties that have any amount of delinquent taxes outstanding, they must be offered for tax sale at 10:00 a.m. on the last Monday of September. If the last Monday in September is a holiday the tax sale must be held on the next Monday that is not a holiday. There may be occasions where a tax sale is not held because all delinquent taxes have been paid.

In 2018 the tax sale will be held on September 24th, if necessary.

3. Calculating the upset price

The upset price is the minimum bid that will be accepted at the tax sale auction. An upset price is established by statute as the following:

1. The amount of delinquent (2016) taxes plus interest to the day of tax sale
2. The amount of arrears (2017) taxes plus interest to the day of tax sale
3. The amount of current (2018) taxes plus any penalties levied against the property
4. An administrative fee of five percent of the total items 1,2 and 3
5. Filing fees under the **Land Title Act**

The upset price is the starting price for the auction and the minimum bid that will be accepted for a particular property.

4. Being deemed the successful tax sale purchaser

The successful tax sale purchaser must pay to the Collector or designate, the amount of the bid offered and accepted at the tax sale. Failure to pay the bid amount will result in the property being offered for tax sale again. Payment must be made in cash or with a certified cheque. The purchaser will have until the 4:30 pm on September 24th to provide the payment. If the payment is not received the property will be publically auctioned again at 10 am on September 25th.

5. The redemption period

The owner of the parcel of land that was sold at tax sale has one year from the date of the tax sale to redeem the property. If the property is not redeemed by September 24th, 2018, the Collector will apply to transfer title to the name of the successful tax sale purchaser.

6. Redeeming the property tax sale

To redeem a property that has been sold through a tax sale the original owner must pay the following amounts:

1. The upset price of the parcel at the time of the tax sale plus interest to the date of redemption;
2. All costs that have been incurred by the purchaser to maintain the property and prevention of waste (notice of these expenses must be provided to the Collector);
3. Taxes advanced by the purchaser;
4. Interest to the date of redemption on any amount in excess of the upset price and on the total amount expended by the purchaser during the period for redemption, at the prescribed rate under section 11(3) of the Taxation (Rural Area) Act. The interest rate in effect from April 1, 2018 to June 30, 2018 has been established at 6.45%.

According to statute, the option of redeeming a property by making installment payments is not offered.

7. Transfers of property after the redemption period expires

At the end of the one year redemption period, title will be applied for, on the purchaser's behalf, by the Collector. Title will transfer free of any financial encumbrances, liens, or judgments, except for any lien by the Crown, and the improvement districts as well as any covenants and rights of way.

Disclaimer: The District of Sechelt makes no representation express or implied as to the condition or quality of the properties being offered for sale. Prospective purchasers are urged to inspect the properties and make all necessary inquiries to municipal and other government departments and in the case of strata lots to the strata corporation, to determine the existence of any bylaws, restrictions, charges or other conditions which may affect the value or suitability of the property.