

*Request for Decision United Townships of Head, Clara & Maria Council*

| Type of Decision                                  |                           |                  |  |    |                 |                         |      |  |        |
|---|---------------------------|------------------|--|----|-----------------|-------------------------|------|--|--------|
| Meeting Date                                      | Friday, December 11, 2015 |                  |  |    | Report Date     | Tuesday, December-08-15 |      |  |        |
| Decision Required                                 | X                         | Yes              |  | No | Priority        | X                       | High |  | Low    |
| Direction   | X                         | Information Only |  |    | Type of Meeting | X                       | Open |  | Closed |
| <b>Tax Sale Exemption - Report #11/12/15/1202</b> |                           |                  |  |    |                 |                         |      |  |        |

**Subject:**

Council direction of execution of a tax sale which falls outside of the legislation.

**RECOMMENDATION:**

That Council authorize staff to accept the bid received even though it falls outside of the parameters of the legislation.

**WHEREAS** advertisement for a tax sale property has resulted in one bid;

**AND WHEREAS** that one bid is not compliant to the letter of the law but did meet most requirements;

**AND WHEREAS** the unique circumstance of having only one bid leaves staff to suggest that the bid be accepted even though it would not be recommended if we had competing compliant bids;

**AND WHEREAS** staff do not recommend leaving the property vest to the municipality as we have no use for it, will lose regular tax revenues and would eventually have to begin a process of sale absorbing current and past costs;

**THEREFORE BE IT RESOLVED THAT** the Council of the United Townships of Head, Clara & Maria does hereby authorize staff to accept a cheque from the sole bidder, though it is drawn against a Credit Union contrary to O. Reg. 181-03 acknowledging and stating directly that this acceptance will not necessarily be repeated in any future such sales unless the legislation changes.

**BACKGROUND/EXECUTIVE SUMMARY:**

The tax sale was advertised. One bid was received. The bid deposit was drawn against a Credit Union. Even though it is a Canadian financial institution, for some reason, under O. Reg. 181/03, deposits from a Credit Union are not to be accepted. The draft is legal tender. Not sure how it can be excluded however; according to this regulation the Credit Union draft is not allowed.

Staff from Real Tax advised that there is risk with accepting a certified cheque from a Credit Union, creating precedent for future sales; hence the wording in this resolution. It is hoped that by acknowledging this directly in the resolution it will act as a disclaimer.

Staff here have some concern with someone taking us to court because we are legislated to not accept legal tender?

**FINANCIAL:**

Costs of Tax Sale – approximately \$3,500 which would have to be absorbed by the municipality should the tax sale not proceed. Council could certainly not accept this offer. We would then have to attempt to sell the property and receive an amount high enough to cover all our current and future costs.

**OTHERS CONSULTED:**

Noella LeBreton, Treasurer; Mary McCallum, Real Tax.

Approved and Recommended by the Clerk

Melinda Reith,  
Municipal Clerk

*Melinda Reith*