



## STAFF REPORT

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**Meeting Date:** August 23, 2021

**Title:** Exclusion of Mobile Homes from Tax Sale

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**Department:** Finance

**Report Number:** Finance-2021-05

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### Recommendation:

Authorize a By-Law 2021-75, being a by-law to authorize the exclusion of mobile homes from a tax sale pursuant to Section 379(3) of the Municipal Act, 2001.

### Background:

If municipal property taxes are unpaid for a period of time, the *Municipal Tax Sales Act* provides for the sale of the property through a tax sale. Before the tax sale occurs, notice is given to the property owner and a Tax Arrears Certificate is registered on the property. Once the tax arrears certificate is registered on the property, the property owner has one year to make full payment of the cancellation price.

If, at the end of the one-year period following the registration of the Tax Arrears Certificate, the cancellation price remains unpaid, the land shall be advertised for public sale.

Section 379(3) of the Municipal Act, 2001 provides that the municipality may by by-law determine that mobile homes situated on land offered for sale shall not be included in the sale.

### Discussion:

Each year, staff review property tax accounts that are in arrears, and begin the tax sale process for those properties that are eligible. Prior to this process occurring, property owners have been sent notice of their arrears, and provided the opportunity to discuss

a payment plan with the treasurer. Once the tax sale process begins, notices are sent out, a tax arrears certificate is registered, and the cancellation price must be paid within one year. When the cancellation price on a property remains unpaid after the one-year period, the property is advertised for public sale.

Section 379(3) of the Municipal Act, 2001 allows the municipality to exclude mobile homes situated on land offered for tax sale from the sale. This provision was added to the legislation to avoid any confusion between what is a "fixed" asset and what is a "chattel". Generally, anything attached to the ground is considered "fixed" and is sold with the property, whereas anything that is moveable, such as a trailer, is considered a "chattel" and is not sold with the property. In the circumstance of mobile home parks, wheels are removed, decks are built, additions are made to the trailers, etc. and it becomes unclear whether the homes are considered "fixed" or a "chattel". By implementing the requested by-law, it is clear to all parties that only the land is included in the sale.

Once the by-law is passed, the tax sale ad will be edited to include a statement indicating that the land does not include the mobile homes situated on it. At the time of a successful tax sale or vesting of the property, the statement of compliance that is attached to the deed or notice of vesting, will include a statement that the treasurer verifies that the municipality has passed a by-law under Section 379(3) excluding mobile homes from the sale of the land.

**Financial Implications:**

None

**Current Budget Allocation:**

**Account #:**

**Attachments (Reference Material):**