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Item No. 11.4.1
Halifax Regional Council
May 22 2012

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed
Councillor Russell Walker, Chair, Audit and Finance Standing Committee

DATE: May 9, 2012

SUBJECT: Tax Sale Reserve Bid – Amendments to Administrative Order #18,
Revenue Collection Policy

ORIGIN

May 15, 2012 motion of Halifax Regional Council recommending proposed amendments to Administrative Order #18.

Notice of Motion given May 15, 2012

RECOMMENDATION

It is recommended that Halifax Regional Council approve the proposed amendments to Administrative Order #18, the Revenue and Collection Policy as outlined in Attachment A of this staff report.

BACKGROUND

By motion of Regional Council on May 15, 2012 Halifax Regional Council directed staff to bring forward amendments to Administrative Order #18.

DISCUSSION

The proposed amendments, as outlined in Attachment A of this report, are in keeping with the HRM Charter and the direction provide by Halifax Regional Council in regard to establishment of Tax Sale Reserve bids and the public auction or sale by tender of properties put up for tax sale.

The intent of the amendments to Administrative Order #18 is to support the changes to business process that are intended to lessen the collection risk to HRM and serve to re-capitalize the properties in order to add value to future assessment rolls.

BUDGET IMPLICATIONS

There are no Budget Implications associated with this report.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

Not applicable

ENVIRONMENTAL IMPLICATIONS

Not applicable

ALTERNATIVES

1. Council may choose not to adopt the changes proposed to Administrative Order #18. This is not the recommended option.

ATTACHMENTS

Attachment 1 – Proposed Amendments to Administrative Order #18

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: (Chris Newson, Legislative Assistant, 490-6732)

APPENDIX A: Amended Administrative Order 18, section 4.2.3(h)(3)

4.2.3 Collection Procedures for all Lienables

(h) A municipality is not required to put a property up for tax sale (HRM Charter Section 148 (4)) where:

3) The property has been put up for tax sale three times in the past with no satisfactory offer. Staff will then proceed, **as per section 158 (4) of the HRM Charter**, and without further notice to the owner and encumbrances, to again advertise the property and sell it at **either public auction or tender for the best price**. ~~The minimum amount acceptable would be all additional expenses we have incurred to bring the property to tax sale status. Eg title search fees, survey fees, tax auction expenses such as advertising, place rental and security etc. which amount will vary from property to property~~ **starting with the minimum reserve bid as set by Council resolution.**

Any remaining arrears after the tax sale, will be adjusted to the allowance for tax account (G/L 2521). Staff will then advise Council of the results, including any adjustments within 30 days of the tax sale via an information report.