



Committee of the Whole Report

Meeting Date: 2025-07-07

Department: Corporate Services

Report Number: Corporate Services-2025-017

Submitted By: Philip Reniers

Approved By: Stephen Donachey

Subject: Vesting of Failed Tax Sale Property

Recommendation:

That the Committee of the Whole recommends that Council approve the vesting of the vacant property with roll number 0812-812-040-13600 in accordance with Section 379(7.1) of the *Municipal Act*; and

That the Committee of the Whole recommends that Council authorize staff to write off taxes in the amount of \$11,002.06 for roll number 0812-812-040-13600 on the land vested by the Municipality for the vested property listed in accordance with Section 354(2)(a) and (3) of the *Municipal Act*.

Background:

A sale of land by public tender, also referred to as a “Tax Sale”, is governed by the *Municipal Act, 2001*, and Ontario Regulation 181/03. Under such sale, a municipality registers a tax arrears certificate on the title of a property which is in tax arrears for at least two years. This certificate indicates that the property will be sold if the cancellation price is not paid within one year of the registration of the certificate. The cancellation price is comprised of all outstanding taxes, interest, penalties and cost incurred by the municipality after the treasurer becomes entitled to register a tax arrears certificate.

The municipality then advertises the property for sale due to non-payment of taxes if the cancellation price is not paid within the one-year of registration of the certificate or a tax extension agreement has not been executed by the property owner.

Where properties remain unsold after a tax sale, a municipality has two years from the tax sale date within which it may exercise its right to vest the unsold properties pursuant

to section 354(5b) and (7.1) of the *Municipal Act, 2001*. The property is then owned by the municipality and will be tax exempt as is any other municipally owned property.

Analysis:

Sale by public tender was held on June 12, 2025, in respect of the property listed below. No tenders were received.

Roll number: 0812-812-040-13600

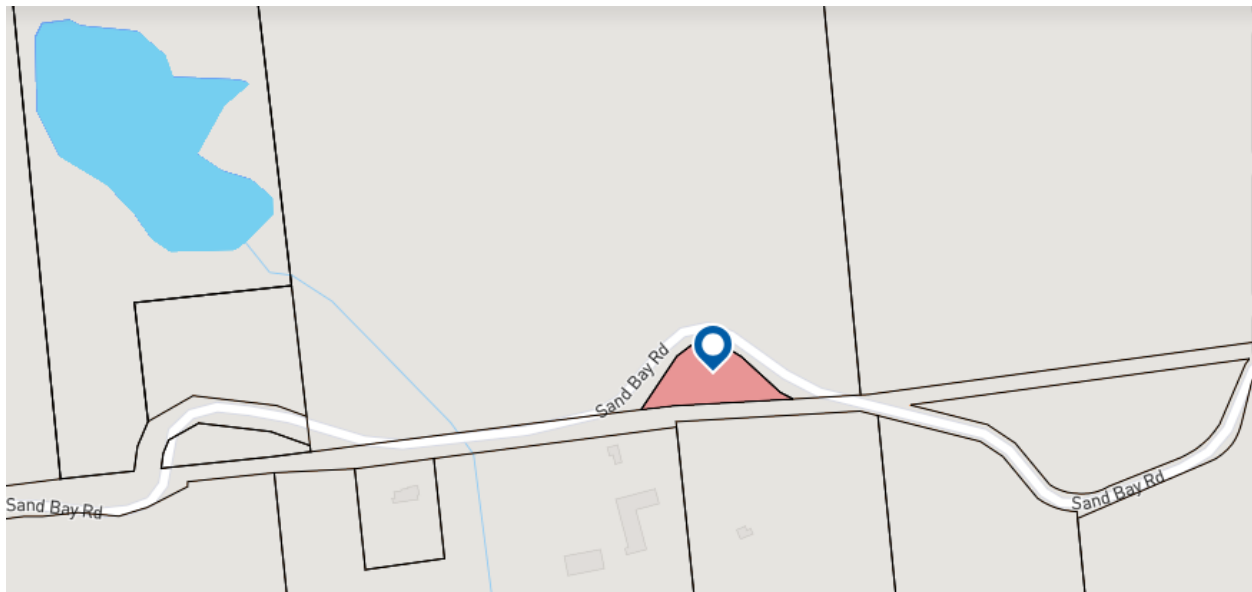
Property Location: 673 Sand Bay Road, Lansdowne

Legal Description: PT LT 5 CON 6 LANSDOWNE PT 1 28R13858, LEEDS/THOUSAND ISLANDS

Zoning: Rural (RU), approximately 5 meters to lands zoned Provincially Significant Wetland (PSW)

The property is vacant.

Staff recommend the write-off of \$11,002.06 of property tax that is shared with the County and School Boards, and to vest the property.



Staff recommend vesting the property, and the Township assuming ownership. The property will provide room for roadside drainage and provides for the possibility of road realignment in the future, if ever desired by the Township.

Alternatives:

There are three alternatives to vesting the property:

1. Write off and charge back: Council, on the Treasurer's recommendation, can write off taxes pursuant to section 354(2) and (3) of the *Municipal Act, 2001*

and charge back to the upper tier, and school boards, its proportionate share of the unpaid taxes that are written off, regardless of whether Council decides to vest the properties in the Township's name or not. If the taxes are written off without vesting, the "delinquent" owner of the properties could subsequently pay the lower cancellation prices and have the tax arrears certificates cancelled. This option is typically only done when the property is abandoned or being re-advertised as below.

2. Readvertise within two years: The Township may advertise the property for sale a second time within two years of the tax sale date pursuant to section 380.1. If the taxes have been written off pursuant to section 354, the property can presumably be offered for sale at a minimum tender amount that might be more attractive to purchasers. Based on the low assessed value, and the land use unsuitability of the property, a second tax sale is not likely to be successful.
3. If the municipality does not register a notice of vesting or does not readvertise the property within two years of the tax sale date, then the whole process is deemed to be cancelled. The Township would then have to restart the tax sale process with the registration of new tax arrears certificates.

Financial Implications:

The financial impact to the Township is the write-off of \$10,276.66. This is the municipal portion of the tax arrears owing on the property, and includes penalty and interest, as well as fees from the tax sale consultant.

In addition, if the Township were to vest the property, it would become a tax-exempt property under Township ownership. The Township would forgo future tax revenue on the property. For 2024, roll number 0812-809-01032812 had a municipal tax levy of \$33.31.

Relevant Policy or Legislation:

Municipal Act 2001, Ontario Regulations 181/30

Strategic Plan Alignment:

Council adopted the Township of Leeds and the Thousand Islands Strategic Plan (2021-2031) at its regular meeting held on November 8, 2021. The initiative contained within this report supports the following Strategic Pillars as set out in the Strategic Plan:

- ☒ Delivering Effective and Accountable Government
- ☐ Promoting Quality of Life and Environmental Stewardship
- ☐ Growing a Liveable Community with Great Services
- ☐ Fostering Jobs and Economic Development

Consultations:

This report was reviewed in consultation with:

- Stephen Donachey, Chief Administrative Officer
- David Holliday, Director of Operations and Infrastructure

Attachments:

None.