

Tax Sales: Lots of Changes!

Presented by

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Tax registration after second year of *arrears*

- Came in to force on May 30, 2017
- Can register a tax arrears certificate if there are taxes owing from 2015 or earlier
- May need to revise your Collections Policy
- Suggestion: give owners a final warning before you register

Register against forfeited properties immediately

- Will come into force on a day to be named by proclamation of the Lieutenant Governor (we don't know when that will be)
- First notices within 30 days of registration
- No final notices
- Begin tax sale 90 days after registration

More about forfeited properties

- Tax arrears certificate cannot be registered if,
 - Order canceling encumbrances has been registered on title, or
 - Notice that Crown intends to use property has been registered on title
- Tax arrears certificate can still be registered if Order registered if you have consent of Crown
- Crown will not register Intent to Use if tax arrears certificate already registered on title

More about forfeited properties

- Order Canceling Encumbrances
 - Province will give municipality notice of intent to cancel encumbrances
 - Municipality must respond to notice, setting out unpaid taxes and any other municipal debt, and if they intend to enforce claim
 - Registration of Order doesn't cancel property taxes owed by former corporate owner

More about forfeited properties

- Notice of Use for Crown Purposes
 - Province may register `Notice of Intention to Use for Crown Purposes` on title
 - Limitation:
Province will not register if municipality has registered a tax arrears certificate

More about forfeited properties

- Order to Transfer
 - Province may transfer ‘certain’ properties directly to municipality if appropriate (without tax sale)
- Distribution of Proceeds of Sale of Forfeited Land by Crown
 1. Federal Crown interests
 2. Provincial Crown interests
 3. Municipal taxes
 4. Others

New notice requirements

- Where the assessed owner is shown as the Crown as a result of an escheat or forfeiture
 - Notices to Directors and Officers of the dissolved corporation
 - the Minister responsible for the administration of the *Forfeited Corporate Property Act, 2015*
- Where the treasurer is aware that assessed owner is a dissolved corporation
 - Notice to Minister responsible for the administration of the *Forfeited Corporate Property Act, 2015* – this is currently the Minister of Infrastructure

New notice requirements

- Within **15 days** after registering a tax deed or notice of vesting, must send notice to
 - the Minister responsible for the administration of the *Forfeited Corporate Property Act, 2015 (Minister of Infrastructure)*

Land that belongs to the Crown as a result of death

- Land that belongs to the Crown as a result of the death of an individual who did not have any lawful heirs can be sold for tax arrears. This applies regardless of whether the individual died before or after the registration of a tax arrears certificate
- A tax arrears certificate cannot be registered if the Crown registers a notice that it intends to use the land for Crown purposes
- If an interested party pays the cancellation price, they will not be given a lien on the cancellation certificate

Extension agreements authorized by Treasurer

- Will come into force on a day to be named by proclamation of the Lieutenant Governor
- 'Municipality' may enter into extension agreement, no by-law required (MA 378(1))
- Municipality (Council) may delegate this authority to Treasurer or other Officer and set limits, or may decide to keep status quo

Alternative methods to advertise tax sale

- Will come into force on a day to be named by proclamation of the Lieutenant Governor
- Intention is to reduce advertising costs for municipalities

End of payments out of court

- Will come into force on a day to be named by proclamation of the Lieutenant Governor
- If you register a tax arrears certificate before this comes in to force, you will be eligible to apply for payment out of court under the old provisions of the act

New Legislation

NRST—Non-Resident Speculation Tax

- 15% tax on purchase of qualifying residential land within the Greater Golden Horseshoe Area
- If qualifying property is purchased by a non-resident, 15% Speculation Tax *plus* Land Transfer Tax must be pre-paid to

Ministry of Finance
Manager, Land Taxes
PO Box 625
33 King St. West
Oshawa, ON L1H 8H9



New Legislation

PIPS—Prescribed Information for the Purposes of Section 5.0.1 of the Land Transfer Tax Act

- Province is now collecting more data on purchase/purchasers of residential and agricultural land throughout Ontario
- **Purchasers** must submit a completed and commissioned PIPS form to Minister of Finance. It is an offence under the Land Transfer Tax Act to not submit this information when required
- The “PIPS” form is available on line in a fillable Adobe format
For more information go to
<http://www.fin.gov.on.ca/en/tax/ltt/prescribedinfo.html>

KEY TAKE AWAYS

1. Familiarize yourself with the new provisions of Part XI of the *Municipal Act, 2001* and which ones don't come into effect until proclaimed.
2. Information on certain residential and agricultural properties throughout Ontario must be provided. Payment of a Non Residency Speculation Tax might be required on some residential properties within the GGH before a tax deed can be registered.

Thanks for joining us!

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