

Section 423 of the Local Government Act allows the Council of a municipality to set aside tax sales where a manifest error in the tax sale is discovered:

- (2) *During the period allowed for redemption, if the council finds a manifest error in the tax sale or in the proceedings before the sale, it may order that:*
 - (a) *the purchase price be returned to the purchaser together with interest at the rate prescribed under subsection (3), and*
 - (b) *the taxes be dealt with as the circumstances require, either*
 - (i) *by restoring the taxes as they were before the sale, or*
 - (ii) *otherwise as directed by the council.*
- (3) *The Lieutenant Governor in Council may prescribe a rate of interest for the purposes of subsection (2)(a).*

In light of the Court Order that prohibits the sale of this property, a manifest error has occurred. Therefore, pursuant to Section 423(2) of the Local Government Act, it is recommended that Council order that the purchase price be returned to the purchaser together with interest as prescribed by the Province of BC (currently 9%). As at July 23, 2007 the interest outstanding is \$8,164.11. This amount increases at a rate of \$27.12 per diem.

It is further recommended that Council order the outstanding taxes be restored as they were before the sale with the required interest. The Property Tax Section will work with Legal Services Division to have the existing Court Order registered on title re-worded to allow for the property to be sold at tax sale in the future.

Legal Services has reviewed the contents of this report and is satisfied.

CONCLUSION

The property located at 15865 111 Avenue should not have been included in the 2006 Annual Tax Sale due to a Court Order registered on the title. As the decision to proceed with the tax sale constitutes a manifest error, the tax sale should be set aside. It is therefore recommended that Council order that the tax sale of 15865 111 Avenue, be set aside and that the purchase price and interest be returned to the purchaser. It is also recommended that Council order the Property Tax Section to reinstate the outstanding taxes with interest and pursue collection of the outstanding taxes with the assistance of Legal Services Division.

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Cc: City Solicitor