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**Item No. 15.1.2**  
**Halifax Regional Council**  
**April 14, 2026**

**TO:** Mayor Fillmore and Members of Halifax Regional Council

**FROM:** Brad Anguish, Acting Chief Administrative Officer

**DATE:** April 7, 2026

**SUBJECT:** AO18 Updates – Revised Tax Sale Fees

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**ORIGIN**

During the Budget Committee of February 18<sup>th</sup>, the following motion was moved by Councillor Cleary and seconded by Deputy Mayor Cuttell.

*THAT the Budget Committee direct the Chief Administrative Officer to include BAL\_017 Revenue Fees, for a revenue increase of \$1,005,100 in the proposed 2026/27 Operating budget.*

The motion was the result of the inclusion of Balance Adjustment List item (BAL\_017) as part of the staff report dated February 18, 2026. BAL 017 identified several municipal fees that could be revised to increase revenue to align with the User Fee Policy approved unanimously by Regional Council on November 18<sup>th</sup>, 2025.

**EXECUTIVE SUMMARY**

This report recommends amendments to Administrative Order 18 *Respecting Revenue Collections Policy* to revise the fee structure associated with the tax sale process. The proposed changes are intended to better align current fees with the actual administrative, operational, and legal costs incurred by the Halifax Regional Municipality in conducting tax sales in accordance with the HRM Corporate User Fee Policy approved by Regional Council on November 18<sup>th</sup>, 2025. The User Fee Policy supports revenue diversification and full cost recovery where appropriate. Revenue staff therefore reviewed the existing fees associated with the tax sale and revenue collection processes outlined in Administrative Order 18 with the intent to ensure the fees charged under AO 18 meet the objectives of the User Fee Policy.

The review determined that the tax sale process involves significant staff time during the collection process as well as direct costs associated with distribution costs of notices, advertising of tax sales, and conducting title searches. Staff dedicate significant time to responding to inquiries, negotiating payment arrangements, and administering redemption processes. In addition, there are significant costs associated with collection of non-liable accounts, particularly when an outside agency is engaged to collect outstanding amounts.

Updating the fee structure will promote higher cost recovery and ensure expenses associated with the collection and tax sale processes are more appropriately borne by the debtors rather than all taxpayers through the general rate. The proposed revisions are estimated to generate approximately \$245,000 in additional annual revenue.

**RECOMMENDATION ON PAGE 2**

## **RECOMMENDATION**

It is recommended that Halifax Regional Council adopt the amendments to Administrative Order 18, *The Revenue Collections Policy Administrative Order*, as set out in Attachment A to this report.

## **BACKGROUND**

Administrative Order 18 was approved in 2005 to provide equitable, supportable, and legal guidelines for staff and the public with respect to the collection of overdue debt including the administration of tax sales, and to ensure related sources of revenue are billed accurately in support of Council's annual budget.

The User Fee Policy was adopted by Council in November 2025 to provide revenue diversification and ensure that cost recovery is borne appropriately when the services apply to an individual rather than the public good. Collection fees including all fees associated with the tax sale process would be considered such a fee according to the User Fee Policy.

In late 2025, staff undertook a review of the current fee levels for collection activities and compared those fees to the current costs of staff effort and direct costs associated with those activities. Staff concluded that it is appropriate to raise the existing tax sale fees to provide better cost recovery than the current level supports. Staff also concluded that there should be cost recovery for the fees associated with collection of non-liable accounts when they are sent to a third party for recovery.

## **DISCUSSION**

Section 148 of the Halifax Regional Municipality Charter allows HRM to sell properties to secure their lien on real property taxes that are deemed to be in arrears. On average, HRM conducts four to five tax sales per 12-month period. There are several expenses associated with bringing a property to tax sale such as issuing Advance Notices of Tax Sale proceedings, Notices of Intention to Sell, title searches, postage, advertising, bailiff services, and drafting of certificates and deeds. These expenses are recoverable and billed to the individual property accounts as incurred. In addition, there are significant staff costs associated with the tax sale process as staff works closely with the property owner to collect the overdue property taxes prior to tax sale.

The fees currently charged during the proceedings of a tax sale have been reviewed. It has been determined that the current level of fees is not sufficient for cost recovery for staff time and other direct costs associated with the collection stages. Therefore, staff proposes that the following fees found in Administrative Order 18, Revenue Collections Policy, are revised as follows:

1. **Advanced Notice of Tax Sale** to be increased to \$100 from current value of \$75 providing an \$87,500 overall increase in revenue. This fee is charged when a property tax account is approximately one year in arrears. The fee covers the staff, postage, stationery and machine time to produce the notices at 30- and 90-day overdue periods, as well as staff time to answer inquiries both before and after this notice is sent. At this stage, both collections and customer service staff will speak with a taxpayer multiple times regarding their account and may include Treasury staff time to set up a payment arrangement using pre-authorized debit. Staff time is estimated at 1.5 hours at this stage of the tax sale process.
2. **Title Search** (migrated accounts) to be increased to \$75 from current \$60 providing an overall increase of \$15,000 in revenue for Legal. This fee covers staff time required in collections to prepare a file to be sent to Legal for a title search as well as the time required by Legal to prepare the title search and return the results to Collections.

3. **Notice of Intention to Sell** to be increased to \$600 from current \$500 providing an overall increase of \$50,000 of revenue. The fee covers multiple costs associated with preparing a property for sale due to unpaid taxes including newspaper ads, registered mail, updates to HRM website, sheriff costs to place posters, staff time to contact taxpayers (often lengthy when attempting to locate delinquent account holders), and working with taxpayers to avoid tax sale. The time taken at this stage to work with taxpayers prior to the tax sale can be significant and often takes several months before proceeding to tax sale or payout of outstanding amount.
4. **Preparation of Land Transfer** (including Tax Sale Certificate) to be increased to \$250 from the current level of \$100 and includes the previous separate \$100 fee for Preparation of Tax Sale Certificate. The combined increased revenue is \$25,000. As these two activities will always occur at the same time, the fee has been combined and increased from a previous combined amount of \$200 (\$100 each) to \$250. This represents staff time required to administer the bidding process, communicate with the winning bidder, prepare the Tax Sale Certificate, collect the funds from the sale, meet with purchasers to process sale, complete and forward documents to land registry for filing, work with Clerk's office for seal on Tax Sale Certificate, and manage enquires from both the purchaser and the original taxpayer regarding the sale of the property. Staff time for this process is significant. Each tax sale will encompass approximately two weeks (70 hours) of dedicated staff time for approximately 12 properties per tax sale, or approximately six hours per property sold.
5. **Preparation of Deed** to be increased to \$150 from \$100 providing an overall increase of \$25,000 of revenue for the Legal group per year. This fee covers the Legal staff time required to prepare a deed and send it to the Mayor's office for signature, and then to Collections.
6. **Redemption Administration** to be increased to \$400 from its current level of \$150 for a total revenue increase of \$2,500. Property redemptions occur within six months of tax sale when the outstanding taxes are six years (or less) in arrears. The effort required for both Collections and Legal is significant, estimated to be approximately eight hours of time between the two groups.

In addition, staff recommends that a new Collection Fee be established as follows:

7. Collection Fee would be applied to any general revenue account that remains in arrears for 90 days to cover the costs of the collection agency fees that HRM pays for delinquent accounts. The fee would be applied at a rate of 10% of the balance. This fee is not full cost recovery as the minimum percentage for the collection agency fee is 15% and can be as high as 33.3% for outstanding amounts of \$100 or less. HRM generally pays a rate of 25% for the \$100 to \$1,000 range, or 20% for amounts between \$1,000 and \$5,000. Residents would be provided with sufficient warning that the fee is going to be applied prior to the charge placed on the account. The 10% fee is consistent with other municipal jurisdictions that were reviewed across the country. It is estimated that the annual revenue from this fee will be \$40,000 based on outstanding debts of \$400,000 sent to third-party collection agencies.

### **FINANCIAL IMPLICATIONS**

The proposed revision of fees is estimated to generate incremental net revenue of \$245,000 on an annual basis to recover staff time and applicable expenses.

### **RISK CONSIDERATION**

There are no significant risks associated with the recommendations in this report.

### **COMMUNITY ENGAGEMENT**

No community engagement was required.

### **ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

### **ALTERNATIVES**

That Halifax Regional Council:

1. Refuse to adopt the amendments to Administrative Order 18. This would maintain status quo. This alternative is not recommended as it does not recover current expenses and staff time expended during the tax sale process. If these fees are unpaid from the proceeds of the sales, then the fees will be paid through general operating revenues of the municipality, which effectively puts the burden of the costs on taxpayers instead of the non-taxpayers; or
2. Adopt the amendments to Administrative Order 18 subject to modifications. This may require a supplementary staff report.

### **LEGISLATIVE AUTHORITY**

*Halifax Regional Charter, SNS 2008, c 39:*

148 (1) Property may be sold for taxes if the taxes with respect to the property are not paid in full for the taxation year immediately preceding the year in which the tax sale proceedings are commenced, but the proceedings must not commence before June 30th in the year immediately following that taxation year.

152 After the tax sale list is compiled, the Municipality shall mail to each owner named in the list a preliminary notice setting out the information contained in the list with respect to the person and advising that the property is liable to be sold for the arrears, with interest and expenses, and that tax sale procedures will be commenced and costs expended unless the arrears are paid within fourteen days of the date of the preliminary notice, or such longer period as the Council may, by policy, prescribe.

153 (1) After the time set out in the tax sale preliminary notice has expired, a title search shall be conducted for each property on the list for which the taxes have not been paid.

(2) The cost of the title search, from the date it is ordered, is part of the expenses of the sale and a lien on the property for which it is ordered.

(5) Where the title search or survey is done by an employee of the Municipality, the cost included in the expenses of the sale is the amount determined by the Treasurer to be the reasonable cost of having the same work performed by a solicitor or surveyor in private practice.

170 (1) At the request of the purchaser at a tax sale and upon payment of the fee determined by the Council, by resolution, the Municipality shall deliver a deed to the land in Form E in Schedule [A], or to like effect, to the purchaser, or as directed by the purchaser, at any time after the

- (a) sale if, at the time of the sale, taxes on the land were unpaid for more than six years before the sale; or
- (b) expiration of six months from the sale if the land has not been redeemed.

(2) The deed must

- (a) fully describe the land conveyed;
- (b) be signed by the Mayor and the Clerk; and
- (c) be under the seal of the Municipality

*Administrative Order 18 - Respecting Revenue Collections Policy*

2.0 General Statement of Principle

The Revenue Division seeks to bill all applicable and approved sources of revenue accurately in support of Council's annual budget. Accurate billing is, therefore, the first step in the process of collecting funds. The fulfilment of the process occurs when the obligation is paid. This policy seeks to provide equitable, supportable, and legal guidelines to staff and the public which will ensure that all taxpayers are well served in the process.

**ATTACHMENTS**

Attachment A: Amendments to Administrative Order 18

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Kaitlyn Gilbert, Collections Supervisor, Finance & Asset Management, 902.220.3610

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**Attachment A  
(Amendments to Administrative Order)**

**Halifax Regional Municipality  
Administrative Order 18  
Revenue Collections Policy**

**BE IT RESOLVED** by the Council of the Halifax Regional Municipality that Administrative Order 18, the *Revenue Collections Policy Administrative Order*, is amended as follows:

1. Repealing the table in Schedule 1 and replacing it as follows:

<b>Schedule 1 – Tax Sale Administration Fees</b>	
<b>Description of Fee Amount</b>	<b>Amount</b>
Advanced Notice of Tax Sale Proceedings	\$100.00
Title Search Fee – External (per current RFQ)	Actual
Title Search Fee – Internal (Migrated properties)	\$75.00
Title Search Fee – Internal (Registry of Deeds Titles)	\$200.00
Survey	Actual
Notice of Intention to Sell	\$600.00
Preparation of Deed	\$150.00
Deed Replacement Fee	\$250.00
Registration of Deed and Certificate	Actual
Preparation of Land Transfer and Administrative Closing Costs	\$250.00
Redemption Administration Fee	\$400.00

2. Schedule 2 is amended by adding the following row immediately after the row beginning with “Non-sufficient Funds (NSF)”:

Non-liable Charge Collection Fee	10% of outstanding balance
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Done and passed this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

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Mayor

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Municipal Clerk