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**Item No. 15.1.4**  
**Halifax Regional Council**  
**December 10, 2024**

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

**SUBMITTED BY:** Cathie O'Toole, Chief Administrative Officer

**DATE:** October 30, 2024

**SUBJECT:** **AO18 Amendment – Publishing Tax Sale Properties**

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### **ORIGIN**

Staff initiated report to request amendments to Administrative Order 18.

### **EXECUTIVE SUMMARY**

The Financial Measures (2024) Act introduces several key amendments that impact the tax sale provisions under the Halifax Regional Municipality (HRM) Charter. These amendments aim to streamline processes, enhance clarity, and improve the efficiency of tax sale procedures.

Introduction of provisions for electronic processing and record keeping modernizes the tax sale process. This shift to digital platforms is intended to increase efficiency, reduce paperwork, and improve accessibility.

In addition to the proposed amendments to the tax sale process, this report includes a section addressing various unrelated housekeeping items. These housekeeping matters pertain to administrative and procedural updates that will improve operational efficiency and streamline internal processes.

### **RECOMMENDATION**

It is recommended that Halifax Regional Council adopt the amendments to Administrative Order 18, *the Revenue and Collection Policy* Administrative Order, as set out in Attachment 2 to this report.

### **BACKGROUND**

In April 2024, the Province passed Bill 419 which are amendments under the Financial Measures (2024) Act. These legislative changes in turn effect our current tax sale provisions within the HRM Charter.

### **DISCUSSION**

The proposed amendments are outlined in Attachment 1 of this report. Among the amendments is a provision that allows for a notice of sale to be posted on the Municipality's website instead of in a newspaper. To ensure a smooth transition and provide adequate notice to the public, staff propose maintaining newspaper advertisements during an interim period. This will allow the Municipality to inform the community about the upcoming changes and ensure continuity in public awareness. To accommodate individuals without internet access, staff will also post the tax sale listings at the Municipality's customer service

centers. This ensures that all members of the community have access to the necessary information, regardless of their digital access.

Additional proposed changes are the removal of the stipulation requiring a 90-day waiting period before escalating collections actions and increasing the Treasurer's limits for account write-off to \$100 of principal and \$50 of interest. The delay in escalation of collections action limits staff's ability to address overdue accounts in a timely manner. Staff anticipates the immediate escalation of collections efforts will support a more consistent and timely recovery of overdue accounts. The increase in write-off limits will reduce the delay in recognizing small uncollectible amounts and would only be exercised in those instances where all reasonable efforts to collect the amount have been exhausted.

### **FINANCIAL IMPLICATIONS**

Advertising costs for tax sales are currently part of the Operating budget under A325 - 6912. This change will result in an estimated \$21,000 in savings.

### **RISK CONSIDERATION**

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

### **COMMUNITY ENGAGEMENT**

No community engagement was required.

### **ENVIRONMENTAL IMPLICATIONS**

Reducing reliance on paper-based ads supports the Municipality's commitment to sustainability and decreases our environmental footprint.

### **ALTERNATIVES**

Halifax Regional Council may choose to:

1. Refuse to adopt the amendments to Administrative Order 18. This is not recommended; or
2. Adopt the amendments to Administrative Order 18 subject to modifications. This may require a supplementary staff report.

### **LEGISLATIVE AUTHORITY**

*Halifax Regional Municipality Charter (Bill 419 – Part VII ss. 25-44, 111)*

#### ***Tax Sale Advertisement - Section 157***

- (2) Notice of the sale at public auction or the call for tenders must be provided by either
  - (a) publishing notice in a newspaper circulating in the Municipality at least twice, with the first advertisement appearing at least thirty days prior to the sale or when tenders close; or
  - (b) posting notice, including the date the notice is posted, on the Municipality's website for at least thirty consecutive days prior to the sale or when tenders close.

- (2A) A notice published or posted pursuant to subsection (2) must set out each lot of land to be sold and the date, time and place of the sale or when tenders close.

**ATTACHMENTS**

Attachment 1: Showing Proposed Changes to Administrative Order 18

Attachment 2: Amendments to Administrative Order 18

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A copy of this report can be obtained online at [www.halifax.ca](http://www.halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Kaitlyn Gilbert, Collections Supervisor, Finance & Asset Management, 902.220.3610.

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

**Table of Contents**

<b>Item</b>	<b>Section Number</b>
1.0 Short Title.....	1
2.0 General Statement of Principle.....	1
1.1 Guiding Principles.....	1
3.0 Definitions.....	2
4.0 Categories of Revenue.....	2
4.1 General Revenues.....	2
4.1.1 Non-Lienable Charges.....	2
4.1.2 Collection Procedures for Non-Lienable Charges.....	2
4.2.1 Lienable Charges-General Revenues.....	3
4.2.2Lienable Charges-Real Property Taxes.....	3
4.2.3 Collection Procedures for all Lienables.....	3
4.3 Business Occupancy Taxes.....	5
4.3.1 Collection Procedures for Business Occupancy (BO) Taxes.....	5
5.0 Other Collection Policies.....	5
5A. Credit Card Usages.....	5
6.0 Schedules.....	6

**HALIFAX REGIONAL MUNICIPALITY  
ADMINISTRATIVE ORDER NUMBER 18  
RESPECTING REVENUE COLLECTIONS POLICY**

**BE IT RESOLVED** as an Administrative Order of the Council of the Halifax Regional Municipality as follows:

**1.0 Short Title**

1. The Administrative Order may be cited as Administrative Order Number 18, the Revenue Collections Policy Administrative Order.

**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.

**2.1 Guiding Principles**

The following principles will guide the collection practices of the Halifax Regional Municipality:

- (a) To ensure all taxpayers are served equitably
- (b) To clearly articulate the guidelines staff will apply in the collection process and the outcomes which will ensue on default
- (c) To follow through with necessary action upon default in keeping with the policy
- (d) To direct those taxpayers in need of financial aid to all applicable sources of assistance including HRM's Grants and Deferral programs and to any provincial programs
- (e) To be respectful and consistent in all cases
- (f) Staff will ensure they comply with Protection of Privacy legislation.

**3.0 Definitions**

**3.1 Non-lienable charges** -These are charges that under law cannot be affixed to a property and, therefore, cannot form an encumbrance against the value of that property. Many types of revenues are included in this category such as Solid Waste tipping fees, Bus Tickets and Passes, Payroll costs, Rentals, Encroachment fees, Police extra duty work and Transit bus warranty recoveries. These examples are not all inclusive.

**3.2 Liable charges**- These charges can be affixed to a property. Several charges billed as general revenue are liable against properties in accordance with the particular by laws which created the charges. Examples include: Unsightly Premises charges, Sewer redevelopment/Trunk

Sewer charges, Local Improvement charges, ~~False alarm fines~~ and Other By-law related charges. Real property taxes are also lienable charges. These charges remain as encumbrances on a property until such time as they are paid and can by definition initiate a tax sale process in accordance with the Municipal Government Act.

**3.3. Merchant discount** – The fee charged by financial institutions when credit cards are used as a method of payment. These fees are generally based on a percentage of the transaction and vary by the type of credit card used.

#### **4.0 Categories of Revenue**

(a) This policy applies to all Business units, Agencies, Boards and Commissions of Halifax Regional Municipality over which the Municipality has jurisdiction.

(b) Different collection policies and practices are required for various revenue streams due to the differences in legislation and the nature of those revenues.

#### **4.1 General Revenues**

##### **4.1.1 Non-Lienable Charges**

(a) These amounts are billed and are due monthly. The due date for all of these types is 30 days from date of billing.

##### **4.1.2 Collection Procedures for Non-Lienable Charges**

(b) ~~Staff will follow up with a phone call to those accounts where amounts have gone past the due date of Net 30. Staff will then pursue and follow up until the account overdue status reaches 90 days or until the account becomes current. After 90 days any persistently overdue accounts will be turned over to our internal collections department and more serious action will be taken to collect, including:~~ Delinquent accounts will be subject to more serious action, including any or all of the following:

1) requiring a payment arrangement or enacting a right of offset for any amounts that HRM might owe the client;

1A) turn over the account to a third-party collection agency on contract with the HRM;

2) a refusal to do further business on a billed basis, ie cash only;

3) advising the client of legal action we may take (standard letter format) eg small claims court action or legal action to file judgements;

4) file action in appropriate civil court, obtain judgment and file judgment at Registry of Deeds;

5) obtain and action execution order or garnishee;

6) issuing a warrant to distrain (hold and possibly sell) goods of the client against the

debt owed;

7) where internal collection efforts have not been successful, the account will be turned over to a third party collection agency on contract with the HRM.

#### **4.2.1 Liable Charges-General Revenues**

(a) Due dates on these charges are usually Net 30 days except local improvement charges which can be paid over many years depending on the nature and financial burden of the work to the resident and the particular by law which created them.

#### **4.2.2 Liable Charges-Real Property Taxes**

(a) Residential and commercial property taxes are billed twice annually with two due dates, one on April 30th and one on October 31st (or the last working day of the month in question). Residents receive their tax bills approximately six weeks prior to the due date.

(b) Notwithstanding 4.2.1(a) and 4.2.2(a), the first due date for residential, commercial, and resource property taxes for the 2020/2021 fiscal year, shall be June 1<sup>st</sup>, 2020.

(c) Notwithstanding 4.2.2(a), residential and commercial property taxes may be billed to eligible non-profit organizations receiving tax relief under the *Tax Relief Administrative Order*, in accordance with By-Law T-800, the *Property Tax Billing for Tax Relief Recipients By-law*.

#### **4.2.3 Collection Procedures for all Liables**

(a) Overdue Notices (attached) may be sent to all accounts with amounts in excess of one month overdue. Follow up with those notices is then undertaken and payment arrangements are put in place if requested. If no response or success is forthcoming from these steps and if the taxes on a property are still outstanding after June 30th, in the year immediately following that taxation year, the property may be placed on the tax sale property list.

(b) A preliminary notice (Advance Notice of Tax Sale Proceedings) is sent to each assessed owner of property on the tax sale list as per Section 152 of the HRM Charter advising that the property is liable to be sold for the arrears, with interest and expenses, and that tax sale procedures may be commenced and costs expended, which will also be liened against the property, unless the arrears are paid or a satisfactory payment arrangement is struck within 30 days of the date of the preliminary notice.

(c) After 30 days past the issuance of the preliminary notice, if the taxes have not been paid or arrangements made, staff will arrange for a title search and, if deemed necessary, undertake a survey of the property.

(d) Upon completion of the title search and survey Notice of Intention to Sell is then sent by registered mail to all registered owners and to the spouses of registered owners, with a copy to be sent to any mortgage company or any person with a lienholder interest in the property where applicable.

(e) All properties with taxes which are in arrears for the preceding three fiscal years SHALL be put up for tax sale. It should be noted that staff will proceed to tax sale for all lienables that are in excess of 3 years overdue. This means that installments of Local Improvement charges, Unsightly charges, ~~False alarm charges~~, Trunk Sewer charges or any lienable charge, as well as, real property taxes can trigger the tax sale process.

(f) Staff will notify citizens and clients of all amounts that are outstanding in excess of nine months overdue that may place properties at risk of tax sale using the TAX SALE WARNING NOTICE.

(g) Tax sale proceedings may be deferred for a property for up to two years via a payment arrangement that will bring the property into a current status within two years.

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

- 1) the solicitor for the municipality advises there is high risk of litigation. Tax staff will forward any properties which may be creating litigation risk, upon notification thereto, or as they ascertain in the course of their research to Legal Services for review.
- 2) the amount is below the collection limit established by council. Staff may not regularly pursue accounts in arrears where the total amount outstanding is less than \$500 as the staff time, costs for a title search (about \$300) and possible survey costs, make the effort more costly than the return. Staff will, nonetheless, regularly select some of these accounts at random to include in the tax sale process.
- 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 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.
- 4) in that year the taxpayer qualifies for a deferral. Once a taxpayer no longer applies for or receives tax deferral, the tax sale process can immediately recommence, except where the taxpayer makes a payment arrangement for the amounts previously deferred. These deferred amounts will remain deferred in accordance with Section 6.6 of By- Law T-700, Respecting Tax Deferrals. Such payment arrangement will be a reasonable amount as determined with the taxpayer and staff. The proposed payment arrangement will be in writing and the rules concerning breaks in the arrangement as outlined below will apply.
- 5) if the taxpayer is compliant with a payment arrangement. Under normal circumstances any payment arrangements made will bring the account into current status within a two year time frame.(except as discussed above for previously deferred taxes under By Law T-700) The proposed two year payment arrangement will be in writing and



will allow for a deferral of the tax sale process. No other circumstances (except as specifically directed by Council) will allow for deferral. Compliance with the payment arrangement will be strictly upheld by staff. There will be allowance for two payments to be deferred either by request or by default. On the third instance of nonpayment as per the arrangement, notice will be given and the tax sale process will recommence with no recourse other than full payment. This forgiveness of two payments clause is considered an insurance policy for unforeseen and unfortunate circumstances of any kind and should be used as such.

6) Once a property has been advertised ~~in the newspaper for public auction at~~ **on the Municipality's website for** tax sale, in order to stop the auction, there is a requirement to pay a lump sum amount to bring the property to within two years of arrears along with a subsequent payment arrangement to clear the remaining arrears and current upcoming tax bills for the property. This would be the minimum arrangement that would prevent the property from proceeding to auction. Such payment could be received up to the close of business ie 4:30 pm on the day proceeding the day of the auction. A signed payment arrangement will be subsequently required within a week of the auction date.

7) Any surplus of funds from the tax sale may be applied to reduce any non-liable charges owed by the owner of the land to the municipality. These outstanding amounts need have no direct relationship to the property sold. The withdrawal of any surplus cannot be completed until after the redemption period (within six months after the sale date) where applicable. Properties are not redeemable if there are taxes owing that are greater than six years in arrears.

8) A tax sale deed shall be provided to the purchaser for the fee of \$100 to be paid at time of the sale and provided at any time after the sale if the property was not redeemable or after the six month waiting period if the property was redeemable.

#### **4.3.0**

Repealed.

#### **4.3.1**

Repealed.

### **5.0 Other Collection Policies**

(a) Principal ~~or interest~~ for less than \$~~10~~100 and interest for less than \$50 can be written off for accounts in arrears at ~~staff's~~ **the Treasurer's** discretion.

(b) Interest charges on an account may be relieved by staff when it is determined that the account has been in dispute and the process to settle the debt has been prolonged and the client is not at fault.

(c) Interest charges on an account may be relieved by staff if it is determined that insufficient support for the billing or insufficient follow up by staff has resulted in undue interest charges.

(d) Where staff determines that both the taxpayer and staff may have been jointly responsible for delays in billing, or in providing appropriate details to support or refute the billing or for lack of timely follow up, staff may grant partial interest relief on an account up to their applicable spending authorization limits.

(e) No adjustment to billings can be made, except as outlined above by any staff member, unless where there was an error in the original billing and corresponding back up by appropriate managerial levels of staff involved is provided.

(f) No account will be sent to write off unless all efforts have been exhausted in its collection and will only be so sent after recommendation of supervisor and concurrence of team leader and manager.

(g) Only Council can approve final write off of any revenue accounts. Such write off reports will be provided not less than once per year.

(h) After an assessment appeal is determined and any appeal from that decision is decided, any taxes that were overpaid shall be refunded to the applicant, together with interest at a rate equal to the rate actually earned by Halifax Regional Municipality on its short term investments. The interest rate shall be determined and the interest calculated monthly but shall not be compounded.

### **5A.0 Acceptance of Credit Cards**

**5A.1** The purpose of this section is to provide clarity to staff and customers as to the types of revenues that credit cards may be used as a method of payment. The section balances the cost of the merchant discount to HRM with the convenience to HRM customers.

**5A.2** The types of revenue that may be paid by credit card from the effective date of this section, are set out in Table 1 of Schedule 3.

**5A.3** The types of revenues that may be paid by credit card when future technology is implemented to enable such payments, are set out in Table 2 of Schedule 3.

**5A.4** The types of revenues that shall not be paid by credit card, are set out in Table 3 of Schedule 3.

### **6.0 SCHEDULES:**

Schedules attached hereto form part of this Administration Order and are intended for guidance and information purposes.

Schedule 1 Tax Sale Administration Fees  
Schedule 2 Penalty Fees  
Schedule 3 Credit Card Usages

## **7.0 SCHEDULE 2**

- (a) For the 2020-2021 fiscal year, the fees under Schedule 2 shall not be charged until the later of the:
  - (i) due date set by Council under 4.2.2(b); or
  - (ii) expiry date of any tax deferral program established due to covid-19, providing the owner qualified for such program.

<b>Schedule 1 – Tax Sale Administration Fees</b>	
<b>Description of Fee Amount</b>	<b>Amount</b>
Advanced Notice of Tax Sale Proceedings	\$75.00
Title Search Fee – External (per current RFQ)	Actual
Title Search Fee – Internal (Migrated properties)	\$60.00
Title Search Fee – Internal (Registry of Deeds Titles)	\$200.00
Survey	Actual
Notice of Intention to Sell	\$500.00
Preparation of Tax Sale Certificate *	\$100.00
Preparation of Deed	\$100.00
Deed Replacement Fee	\$250.00
Registration of Deed and Certificate	Actual
Preparation of Land Transfer and Administrative Closing Costs	\$100.00
Redemption Administration Fee	\$150.00

\*Issued at time of Tax Sale

<b>Schedule 2 – Penalty Fees</b>	
<b>Description of Fee Amount</b>	<b>Amount</b>
Non-Sufficient Funds (NSF)	\$40.00

**Schedule 3**  
**Credit Card Usages**

<b><u>Table 1</u></b> <b><u>Revenue Types that May be Paid by Credit Card</u></b>	
<b><u>Revenue Type</u></b>	<b><u>Where Accepted</u></b>
Recreation Services	Recreation Centres On-line
Parking at HRM-operated parking lots	Payment kiosks
On-street Parking	Parking meters
Parking and municipal fines	Customer Service Centres On-line
Permits and development application fees (including those taken on behalf of Halifax Water)	Customer Service Centres On-line
Publication and use fees (archives) Copy fees	Municipal Archives office
Access to Records (FOIPOP) Requests	Duke Tower 7 <sup>th</sup> floor Customer Service Centres
Dog licenses	Customer Service Centres
Sales of Halifax Transit tickets and Halifax Transit passes	Customer Service Centres On-line
Halifax Transit fares (for HFXGO mobile app)	On-line and mobile app
Payments to HRM Police including <ul style="list-style-type: none"> <li>• Criminal records checks</li> <li>• Finger printing</li> <li>• Motor vehicle reports</li> <li>• Incident reports</li> <li>• Summons</li> <li>• Pardons</li> <li>• Access to Records (FOIPOP) Requests</li> </ul>	HRM Police facilities (where available)
Sale of HRM cemetery plots and cemetery services	HRM cemetery office
Tax certificates	On-line
Property tax services including <ul style="list-style-type: none"> <li>• Property tax bill reprint</li> <li>• Property tax statement</li> <li>• Redistribution of payment</li> <li>• Refund request</li> <li>• Power of Attorney or authorized contact change</li> </ul>	On-line

Property tax account payments providing there is no merchant discount cost to HRM and the payments are made using existing payment channels	Payments may be made through a third-party service provider
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<b>Table 2</b> <b>Revenue Types that May be Paid by Credit Card (When Enabled by Technology)</b>	
<b>Revenue Type</b>	<b>Where Accepted</b>
Access to Records (FOIPOP) Requests	On-line
Halifax Transit fares	Fare technology (open payments)

<b>Table 3</b> <b>Revenue Types That Shall Not Be Paid By Credit Card</b>	
<b>Revenue Type</b>	
Property tax accounts and local improvement charges unless: <ul style="list-style-type: none"> <li>the payment is from a third party service providers acceptable to HRM; and</li> <li>there is no cost to HRM.</li> </ul>	
Deed transfer tax	
Inter-Governmental transfers including grants in lieu of taxes and tax agreements	
Invoiced general revenues and recoveries including tipping fees	
Payments to HRM from parties: <ul style="list-style-type: none"> <li>operating HRM facilities, or</li> <li>selling items on consignment such as Metro Transit tickets and Metro Transit passes</li> </ul>	
<del>Payments pursuant to By-Law F-300, the Fees for the Provision of Taxation Information By-law</del> Payments pursuant to tax information for financial institutions under By-Law F-300	
Halifax Water bill payments paid at HRM Customer Service Centres	

Notice of Motion: December 6, 2005  
Approved: December 13, 2005

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**Amendment # 1**

Notice of Motion: July 4, 2006  
Approved: August 1, 2006

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**Amendment # 2**

Notice of Motion: June 15, 2010  
Approved: June 22, 2010  
Effective Date: July 1, 2010

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**Amendment # 3**

Notice of Motion: May 15, 2012  
Approved: May 22, 2012

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**Amendment # 4**

Notice of Motion: February 26, 2013  
Approved: March 5, 2013

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**Amendment # 5**

Notice of Motion: June 10, 2014  
Approved: June 24, 2014

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**Amendment # 6**

Notice of Motion: April 2, 2020  
Approved: April 14, 2020

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**Amendment # 7**

Notice of Motion: January 24, 2023  
Approved: March 7, 2023  
Effective Date: March 18, 2023

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**Amendment #8**

*Amending 3.3, 4.2.3, repealing 4.3.0, repeal and replace Table 1 Schedule 1, repeal and replace Table 1 and 2 Schedule 2*

Notice of Motion: November 28, 2023  
Approved: December 12, 2023

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**Amendment #9**

*Amending 4.2.2(c)*

Notice of Motion: April 9, 2024  
Approved: April 23, 2024

**Attachment 2**  
**(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*, shall be amended as follows:

1. Amending provision 3.2 by striking out the words “False alarm fines” after the words and comma “Local Improvement charges,” and before the words “and Other By-law”.
2. Amending provision 4.1.2(b) by:
  - (a) striking out the words, numbers and period “Staff will follow up with a phone call to those accounts where amounts have gone past the due date of Net 30.” At the beginning of the provision;
  - (b) adding the words “and late notices” after the word “Statements” and before the word “will”;
  - (c) striking out the words, period, numbers, comma and colon “Staff will then pursue and follow up until the account overdue status reaches 90 days or until the account becomes current. After 90 days any persistently overdue accounts will be turned over to our internal collections department and more serious action will be taken to collect, including:” after the word and period “status.” And replacing them with the words, comma and colon “Delinquent accounts will be subject to more serious action, including any or all of the following:”; and
  - (d) adding the following provision immediately after provision “1)” and before provision “2)”:
    - 1A) turn over the account to a third-party collection agency on contract with the HRM;
3. Amending provision 4.2.3(e) by striking out the words and comma “False alarm charges,” after the word and comma “charges,” and before the words “Trunk Sewer”.
4. Amending provision 4.2.3(h)(6) by striking out the words “in the newspaper for public auction at” after the word “advertised” and before the word “tax” and replacing them with the words “on the Municipality’s website for”.
5. Amending provision 5.0(a) by:



