



REPORT

REPORT TO: The Chair and Members of Community & Corporate Affairs Committee

REPORT FROM: Kathy Spear, Property Tax Supervisor

DATE: May 24, 2019

REPORT NO.: CORPSERV-2019-0027

RE: Award of Proposal P-063-19 for Municipal Tax Sale Services

RECOMMENDATION:

THAT Report No. CORPSERV-2019-0027 dated May 24, 2019, regarding Award of Proposal P-063-19 for Municipal Tax Sale Services be received;

AND FURTHER THAT Council awards Proposal P-063-19 to REALTAX Inc. 17705B Leslie Street Suite 1A, Newmarket, Ontario L3Y 3E3 in the amount of \$50,000 (including HST) annually for a three (3) year contract term, with up to two (2) one (1) year options to renew for Municipal Tax Sale Services;

AND FURTHER THAT the Manager of Purchasing be authorized to issue a purchase order to REALTAX Inc. 17705B Leslie Street Suite 1A, Newmarket, Ontario L3Y 3E3 in the amount of \$50,000 (including HST) annually for a three (3) year term and subsequent renewals if exercised subject to performance and price negotiations.

BACKGROUND:

Part XI of the Municipal Act, 2001, S.O. 2001, c. 25, as amended (Municipal Act) sets out the framework of the "Sale of Land for Tax Arrears". Municipal Tax Sale Legislation recently changed as a result of Bill 68, Modernizing Ontario's Municipal Legislation Act, 2017, which states a tax arrears certificate can now be registered if there are arrears owing on January 1 of the second year following that in which the taxes became owing. Prior to the legislative change within Bill 68, a tax arrears certificate could be registered if there were arrears owing on January 1 of the third year following that in which the taxes became owing. Currently, staff will not register a tax arrears certificate unless a property is in three full years of arrears. Staff is currently reviewing the new legislation to determine if any changes to the Town's current tax sale processes are warranted and staff will bring forward any recommended changes to Council later this year.

The tax sale function requires an in-depth knowledge of Section XI of the Municipal Act. It is critical that all procedures are done correctly and that timelines are met. As such, this function requires specialized knowledge.

In 2007 Council approved FIN-2007-0005 to outsource the services for the sale of land for tax arrears. The Town has been utilizing the services of REALTAX Inc. since that time. The volume of properties that are registered for tax sale varies from year to year. In 2018, ten (10) properties were registered for tax sale. Eight (8) properties have paid the arrears with two (2) properties proceeding to the final stage of tax sale. Currently we have seventeen (17) properties at the beginning stages of Tax Sale for 2019.

COMMENTS:

A Request for Proposal (RFP) for Municipal Tax Sale Services was issued on April 15, 2019. The bid was posted on the Town’s website and advertised on the bids and tenders website. The contract term is for a three (3) year contract, with up to two (2) one (1) year options to renew.

Three (3) firms downloaded the document. The RFP closed on May 7, 2019 and two (2) submissions were received as follows:

Vendor	Location
REALTAX Inc.	Newmarket, ON
Trickery et al Tax Team Inc.	Cannington, ON

Bids were evaluated by a staff team based on experience and team credentials, methodology and price. REALTAX Inc. was determined to be the highest ranking proponent.

RELATIONSHIP TO STRATEGIC PLAN:

- I. Provide Responsive, Effective Municipal Government
 - I.1 To provide strong leadership in the effective and efficient delivery of municipal services

 - I.2 To ensure the accountability and transparency of the Town’s operations, and that appropriate management policies, practices and procedures are in place

FINANCIAL IMPACT:

The Municipal Act allows municipalities to add any reasonable costs associated with a tax sale directly onto the property tax account and therefore this function should be cost/revenue neutral. The Town will be required to 'front-end' the fees/costs associated with the tax sale process until either all taxes and other charges on the property tax account have been paid or the property has been sold through the tax sale process.

CONSULTATION:

Staff worked in conjunction with Town Purchasing staff from the Corporate Services Department and the Manager of Purchasing is in agreement with this recommendation.

PUBLIC ENGAGEMENT:

Not applicable.

SUSTAINABILITY IMPLICATIONS:

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The recommendation outlined in this report is not applicable to the Strategy's implementation.

COMMUNICATIONS:

Not Applicable.

CONCLUSION:

Staff recommends the award of the Municipal Tax Sale Services contract to REALTAX Inc. for the three (3) year contract, with up to two (2) one (1) year options to renew.

Reviewed and Approved by,

Handwritten signature of Wendy O'Donnell in black ink.

Wendy O'Donnell, Manager of Finance

Handwritten signature of Jane Diamanti in black ink.

Jane Diamanti, Commissioner of Corporate Services

Handwritten signature of Brent Marshall in black ink.

Brent Marshall, Chief Administrative Officer