Winnipeg

Office of the Chief Administrative Officer • Bureau de directeur municipal

May 17, 2019

The Honourable Jeff Wharton
Minister of Municipal Relations
Room 317 Legislative Building
450 Broadway
Winnipeg, Manitoba R3C 0V8

Dear Sir:

Re: Amendment to The City of Winnipeg Charter
s. 385 – Assignment of Tax Sale Certificate

Under The City of Winnipeg Charter (the "Charter"), tax sale is one of the options available to The City of Winnipeg (the "City") for the recovery of unpaid real property taxes. The tax sale process is governed by sections 370 to 405, inclusive, of the Charter.

Pursuant to Council's direction dated July 19, 2018, a copy of which is enclosed herewith, I am writing today to provide some relevant background information for your review and to formally request that the Province of Manitoba amend the Charter in respect of the tax sale process by repealing or amending section 385 thereof.

Section 385 of the Charter concerns assignment of the tax sale certificate. Assignment provisions have appeared in the City's enabling legislation in some form since The City of Winnipeg Act was enacted in 1971; however, these provisions are unique to the City – similar provisions do not appear in The Municipal Act, which governs all other municipalities within the Province.

Although we are unaware of the original intended purposes of the assignment provisions, we are noticing that certain unscrupulous individuals are taking advantage of these provisions to obtain properties in tax sale for far less than their fair market value.

These individuals prey on vulnerable members of society – elderly persons, persons with limited means, and persons with mental health difficulties. They approach the owners of properties in tax sale, purporting to offer assistance with their financial troubles, and enter into some form of agreement with those owners in order to obtain a registerable interest in the property. They then use that registered interest to require that the City assign the tax sale to them which allows them to ultimately obtain title to the property in question. When this happens, the original owner loses all equity in their property.

The City can no longer see a valid purpose for the assignment provisions as they are currently written and calls on the Province of Manitoba to make amendments thereto.

Thank you for your attention in this matter. Should you have any questions on the above, or should you require any additional information, please do not hesitate to contact the writer.

Yours truly,

Michael A. Jack
Chief Corporate Services Officer
City of Winnipeg

C: John Kiernan, Planning Property & Development
Krista Boryskavich, Legal Services