



WATCH LIVE: UN Security Council holds meeting on situation in the Middle East

VANCOUVER | News

B.C. woman loses home, \$270K in equity over \$10K unpaid tax bill; ombudsperson calls for change



A sold sign is seen outside a home in this stock image from the B.C. ombudsperson's report on tax sales in the province.

Ian Holliday



Ian Holliday
CTVNewsVancouver.ca Journalist

[Contact](#)**Updated** Dec. 8, 2021 5:36 p.m. EST

Published Dec. 8, 2021 5:34 p.m. EST

Share

B.C.'s ombudsperson is recommending several changes to the way municipalities use tax sales to collect outstanding property taxes after determining that the City of Penticton had unfairly sold a vulnerable resident's home.

The home in question belonged to a 60-year-old woman identified in the Ombudsperson Jay Chalke's report as "Ms. Wilson." She had lived in the home for many years with her mother, and owned it outright.

Wilson's mother died in 2013, and she did not pay property taxes on the home for 2015 and 2016, according to [the ombudsperson's report](#)[↗], which was issued Wednesday.

The report notes that Wilson was able to pay the roughly \$10,000 she owed, but had difficulty doing so because of "health concerns" that made it hard for her to understand the tax notices that were sent to her home and respond appropriately to them or the other communications she had with the city.

RELATED STORIES

- **Public complaints about COVID-19 services, policies dominate B.C. ombudsperson report**
- **B.C. ombudsperson labels youth confinement in jail 'unsafe,' calls for changes**
- **B.C. ombudsperson urges caution if governments adopt COVID-19 vaccine passports**
- **'It feels like a big win': Investigation leads to more access for families at Chilliwack care home**
- **B.C. ombudsperson wants fair, consistent policy on long-term care visits**

The city sold the home at auction for \$150,000, well below its assessed value of \$420,000. As a result, Wilson lost "at least \$270,000" in equity in her home, the report reads.

Chalke's office learned of the woman's situation from

her sister - identified in the report as "Ms. Allen" - who Wilson granted power of attorney in 2016, but who was unaware of her sister's struggles until after the tax sale.

The ombudsperson's report notes that Allen had no way of knowing that her sister was in trouble, and argues that the city had a responsibility to inquire more deeply about why Wilson had failed to pay her taxes.

According to the report, tax sales are very rarely completed. Typically, the homeowner is able to "redeem" the property by paying off the amount they owe before the property is sold.

Wilson's home was only the third of 152 tax sales to be completed in the City of Penticton over the last 32 years, according to the report.

"As a matter of fairness, the city should have taken steps to understand why Ms. Wilson had not paid her taxes," the report reads. "In the circumstances, the city should have satisfied itself that Ms. Wilson's failure to pay her taxes was not due to some factors beyond her control."

"The results of this investigation are disturbing," said Chalke in a news release Wednesday.

"Ms. Wilson was a vulnerable member of the Penticton community and just needed some extra assistance to pay her taxes. The City of Penticton called Ms. Wilson once, but did not contact the Public Guardian and Trustee or Interior Health, who have the legal mandate to make inquiries as to whether an adult is vulnerable and needs support or assistance. The city's failure to reach out to one of these helping organizations contributed to a devastating and preventable loss."

The report also notes several errors the city made in its communications with Wilson, including referencing incorrect sections of the Local Government Act on multiple occasions and providing Wilson with the wrong deadline for redeeming her property three different times.

.....

In its response to the ombudsperson's report, the city describes these issues as "minor errors and deficiencies," and maintains that it fulfilled its legal obligations in the case.

While Chalke's report does not allege any illegal behaviour on the part of the city, the ombudsperson made it clear in his statement Wednesday that he did not find the city's response satisfactory.

"Selling someone's home to pay a relatively small tax debt is an extraordinary power and I expect when a municipality takes such action it is scrupulously accurate," said Chalke in the news release.

"While the City of Penticton may view its own errors as immaterial, I do not agree. The cumulative effect of the city's multiple mistakes was to make the process unfair for Ms. Wilson."

Chalke's report makes six recommendations: five of them to the province's Ministry of Municipal Affairs and one to the City of Penticton.

To the ministry, the report recommends:

- developing plain-language template letters for tax sales
- developing guidelines to notify a property owner before a tax sale occurs
- amending the Local Government Act to require a municipality to provide notice by registered mail or personal service before a tax sale
- examining whether the Local Government Act should establish a starting price at auction that reflects the assessed value of a property
- and issuing best practice guidelines about how municipalities are to protect vulnerable property owners within the tax sale scheme

The report also recommends that the city pay Wilson \$140 922 88 as compensation for some of the equity

and \$10,000 as compensation for some of the equity she lost in the sale.

The ministry accepted all five of the recommendations directed at it, according to the report, and the city's response to the ombudsperson indicates support for those five recommendations as well.

The city declined to pay Wilson the recommended compensation, however.

"I am disappointed that the City of Penticton is not taking responsibility for both the multiple errors and omissions it made in its communication with Ms. Wilson and the insufficient action it took to help her get the assistance she needed," said Chalke in the release.

"I am calling on the city to realize the gravity of this situation for this vulnerable member of its community and compensate Ms. Wilson as I have recommended. It's never too late to do the right thing."

 [Report an error](#)

 [Editorial standards & policies](#)

 [Why you can trust CTV News](#)

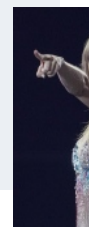
MUST WATCH



Rare, bald raccoon, named 'Rufus', rescued in N.S.



No Doubt reunites and brings dose of nostalgia to Coachella



Crowd Swift-fest in Ontario

VANCOUVER TOP STORIES >