



## STAFF REPORT

**Title:** Tax Arrears Agreement - Tax Roll No. 4010325002

**Meeting Date:** March 26, 2019

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### **Executive Summary:**

As per Section 418(4) of the Municipal Government Act, Council may enter into an agreement with an owner in tax arrears for payment of the arrears over a period not exceeding 3 years. Tax Roll No. 4010325002 is presently in arrears of taxes to the City of Cold Lake. The owner of the property has agreed to make minimum monthly payments of \$325.00 starting March 31, 2019. The tax account for this property will be paid in full including estimated future levies and all penalties by February 28, 2022. If the agreement is breached, the City will immediately start tax forfeiture procedures.

### **Background:**

As per Section 412 of the MGA, by March 31 the municipality must prepare and register a tax arrears list for any properties that are more than one year in tax arrears. The registrar advises the property owners by August 1 that their property will be sold if the arrears are not brought into a current position by March 31 of the next year. If the taxes are not paid and an agreement is not entered into with the owner, the City must offer the property for sale at a public auction.

There were 40 properties that were placed on the two year arrears list that had a tax notification placed on their property on March 31, 2018. As of March 20, 2019, there are 11 properties remaining on the list. 3 of these properties have a tax agreement in place.

There were 38 properties placed on the arrears list on March 31, 2017. Currently remaining are 3 properties in total, 1 vacant commercial, 1 vacant residential and 1 designated manufactured home. These properties must be sold per tax sale legislation by March 31, 2019 if there is no arrears agreement in place and the arrears remains unpaid.

There is one property that was put on the tax arrears list in 2015 that has defaulted on their tax agreement with The City of Cold Lake that will also have to be sold by public auction by March 31, 2019 if the arrears remains unpaid.

Currently all properties that were placed on the tax arrears list on March 31, 2016 with an arrears balance have a tax agreement in place.

As of March 20, 2019, there are currently 19 properties on tax agreement.



**Alternatives:**

Council may consider the following options:

1. Council may consider declining the signed agreement.
2. Council may approve the signed agreement enabling the owner to bring taxes to a current position within three years.

**Recommended Action:**

Administration recommends that Council accept the Property Tax Arrears Agreement for Tax Roll No. 4010325002, as presented.

**Budget Implications (Yes or No):**

No

**Submitted by:**

Kevin Nagoya, Chief Administrative Officer