



STAFF REPORT

Title: Tax Arrears Agreement - Tax Roll 4000027013

Meeting Date: April 23, 2019

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. 4000027013 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 \$590.00 starting April 30, 2019. The tax account for this property will be paid in full including estimated future levies and all penalties by March 31, 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 April 23, 2019, there are 9 properties remaining on the list. 3 of these properties have a tax agreement in place.

Currently all properties that were placed on the tax arrears list on March 31, 2017 with an arrears balance have a tax agreement in place.

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.

On March 31, 2019 the City registered a tax notification on 53 properties of which 7 are manufactured homes.

As of April 23, 2019, there are currently 21 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 the Tax Roll No. 4000027013 as presented.

Budget Implications (Yes or No):

No

Submitted by:

Kevin Nagoya, Chief Administrative Officer