



STAFF REPORT

Title: Tax Recovery Sale Extension

Meeting Date: May 12, 2020

Executive Summary:

The City originally had 3 properties with property tax arrears that were to be sold by public auction by March 25, 2020. Due to the uncertainty of the early days of the COVID-19 situation, the auction was adjourned to May 22, 2020 as per section 422(1) where we can adjourn the sale as long as the auction is scheduled within 2 months of the original advertised date. Subsequently, due to the COVID-19 situation, Alberta Municipal Affairs released ministerial Order MAG:014/20 dated April 17, 2020 where the deadline to hold the tax sale was extended to October 1, 2020. Since the original auction date of March 25, 2020 one of the property owners has paid the outstanding taxes in full. Administration is recommending that Council set a new date for the public auction of September 10, 2020 to auction the remaining 2 properties.

Background:

The City currently has 2 properties with property tax arrears that must be sold by public auction by October 1, 2020 as per Ministerial Order MAG:014/20. These properties had reserve bids set by Council on February 25, 2020 as follows:

Lot 3, Block A, Plan 8521872 Title 142085056 Vacant Res. Med. Density \$ 412,000

Lot 5, Block A, Plan 8521872 Title 142085056001 Vacant Res. Med. Density \$ 353,000

To date the city has followed all the requirements of the MGA and has registered a tax recovery lien against the properties. All notifications have been sent to the appropriate parties. Numerous attempts have been made to contact and collect the tax arrears including offering tax repayment agreements to the owners.

Lot 3, Block A, Plan 8521872 is a vacant residential lot zoned medium density in Cold Lake North. The City registered a lien on the property on March 31, 2018. All efforts to obtain payment from the property owner has failed. An advertisement was placed in the January 31 issue of the Alberta gazette and a copy of this advertisement has been sent to the home owner.

Lot 5, Block A, Plan 8521872 is a vacant residential lot zoned medium density in Cold Lake North. The City registered a lien on the property on March 31, 2018. All efforts to obtain payment from the property owner has failed. An advertisement was placed in the



January 31 issue of the Alberta gazette and a copy of this advertisement has been sent to the home owner.

If a property sells it will be sold “as is where is” condition. If the property sells at the auction and there is a tenant the new owner would be responsible for the tenant. A purchaser is entitled to acquire the land free of encumbrances with exceptions as listed in section 423 of the MGA. The City must notify the owner if there is any remaining proceeds. The proceeds must be kept for 10 years or until they are paid out to the owner. If the property does not sell the City may continue to try to sell the property at a price reasonably close to market as possible. If the property does not sell after 15 years the City can request the Registrar to issue a new certificate of title in the municipality’s name.

Administration will advertise and post the auction prior to the scheduled date.

Alternatives:

Council may consider the following options:

1. Council may pass a resolution to set the tax sale auction to September 10, 2020.
2. Council may choose another tax sale date as long as it’s on or before October 1, 2020.

Recommended Action:

Administration recommends that Council set the Tax Sale Auction date to September 10, 2020.

Budget Implications (Yes or No):

No

Submitted by:

Kevin Nagoya, Chief Administrative Officer