



STAFF REPORT

Title: Tax Arrears Agreement - Tax Roll No. 4000023091

Meeting Date: May 26, 2020

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. 4000023091 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 \$550.00 starting May 31, 2020. The tax account for this property will be paid in full including estimated future levies and all penalties by April 30, 2023. 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 or an agreement is not entered into with the owner, the City must offer the property for sale at a public auction.

As of March 31, 2020 the City had 46 properties of which 5 are manufactured homes that required a tax notification to be registered against them. The City did not register the tax notifications on these properties due to the extension given by Ministerial Order 22/20 signed on March 31, 2020 to extend the deadline until October 1, 2020, then a new Ministerial Order 014/20 dated April 17, 2020 came out that revised the deadline to June 30, 2020. Currently the total to properties that require a tax notification is 39. These properties will still need to be sold at a public auction by March 31, 2022.

On March 31, 2019 the City registered a tax notification on 53 properties of which 7 are manufactured homes. As of May 19, 2020, there are 25 properties on the list. 4 of these properties have a tax agreement in place.

On March 31, 2018 the City registered a tax notification on 40 properties of which 8 were manufactured homes. As of May 19, 2020, there are 5 properties remaining on the list. 3 of these properties have a tax agreement in place. The two properties remaining had a tax sale date of March 25, 2020 which was later adjourned to May 20, 2020 then subsequently to September 10, 2020 due to the COVID-19 situation.



As of May 19, 2020, there are currently 13 properties on tax agreement with 10 agreements still in force from previous years.

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. 4000023091 as presented.

Budget Implications (Yes or No):

No

Submitted by:

Kevin Nagoya, Chief Administrative Officer