



## STAFF REPORT

**Title:** Tax Recovery Sale Extension

**Meeting Date:** August 11, 2020

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### **Executive Summary:**

Annually the Tax Sale Recovery Auction is held the last week of March. 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. At the May 12, 2020 regular Council meeting Council passed a motion to set the Auction to Sept 10, 2020. Issues have come to the attention of the City regarding the 2 properties to be sold at the auction therefore Administrations is asking Councils consideration to set the Tax Sale Recovery Auction date to September 29, 2020 in order to seek advice on the issues.

### **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 as well as notifying all appropriate parties.

**Alternatives:**

Council may consider the following options:

1. Council may pass a resolution to set the tax sale auction to September 29, 2020.
2. Council may choose another tax sale date as long as it’s on or before October 1, 2020.
3. Council may choose to leave the tax sale auction on September 10, 2020.

**Recommended Action:**

Firstly, administration is recommending that Council pass a motion to table the issue until after the agenda issue titled “Legal - Harwood Homes” which is an in camera briefing.

Once Council brings this issue back to the agenda; Administration recommends that Council set the Tax Sale Auction date to September 29, 2020.

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

No

**Submitted by:**

Kevin Nagoya, Chief Administrative Officer