



STAFF REPORT

Title: Tax Arrears Agreement - Tax Roll No. 172200

Meeting Date: August 8, 2023

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 three (3) years. Tax Roll No. 172200 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 \$689.31 starting August 31, 2023. The tax account for this property will be paid in full including estimated future levies and all penalties by July 31, 2026. If the agreement is breached the City will immediately start tax forfeiture procedures.

Background:

As per Section 412 of the *Municipal Government Act*, by March 31st the municipality must prepare and register a tax arrears list for any properties that are more than one (1) year in tax arrears. The Land Titles Registrar advises the property owners by August 1st that their property will be sold if the arrears are not paid in full by March 31st of the next year. If the arrears 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 by no later than March 31 of the following year.

2023 Tax Arrears List (If required Auction Date TBD 2025):

- On March 31, 2023 the City registered a tax notification on thirty-three (33) properties of which four (4) were manufactured homes.
- As of today's date, there are twenty-five (25) properties remaining on the list and one (1) has entered into a tax agreement. Any properties with arrears remaining will need to be sold by public auction on or before March 31, 2025.

2022 Tax Arrears List (If required Auction Date TBD 2024):

- On March 31, 2022 the City registered a tax notification on thirty-eight (38) properties of which eight (8) were manufactured homes.
- As of today's date, there are seventeen (17) properties remaining on the list and two (2) of these have entered into a tax agreement. Any properties with arrears remaining will need to be sold by public auction on or before March 31, 2024.



2021 Tax Arrears List (Auction Date March 22, 2023):

- On March 31, 2021 the City registered a tax notification on thirty-three (33) properties of which four (4) were manufactured homes.
- As of today's date, there are six (6) properties remaining on the list and five (5) of these have entered into a tax agreement.
- Council set the terms and conditions of sale at the January 10, 2023 Council Meeting and the reserve bids were set March 14, 2023 Council Meeting.
- An auction was held for one (1) property on March 22, 2023 and there were no bids made on the property. At the March 28, 2023 Council Meeting, Council approved the purchase of the unsold lot for the reserve bid. Administration is in the process of purchasing the lot.

2020 Tax Arrears List (Auction held March 23, 2022):

- The deadline to register a tax notification for property tax arrears is usually March 31st. However, due to the COVID-19 pandemic, for the 2020 year, the March 31st deadline was extended to June 30th (*Ministerial Order 22/20; Ministerial Order 014/20*). On June 30, 2020 the City registered a tax notification on thirty-three (33) properties of which three (3) were manufactured homes.
- As of today's date, there are currently eight (8) properties remaining on the list. None (0) of these properties have a tax agreement in place.
- Council set the terms and conditions of the sale and the reserve bids at the January 11, 2022 and March 8, 2022 meetings respectively.
- An auction was held for the eight (8) properties on March 23, 2022 and there were no bids made on the properties. To date, Administration is reviewing options regarding the parking lots and Council has decided not to take over title for these properties.

2019 Tax Arrears List (Auction held March 24, 2021):

- On March 31, 2019, the City registered a tax notification on fifty-three (53) properties of which seven (7) were manufactured homes.
- At the January 12, 2021, Regular Meeting of Council, Council set the terms and conditions for sale for the five (5) properties remaining at that time. At the March 9, 2021 Regular Meeting of Council, Council set the terms and conditions for the four (4) properties remaining at that time.
- As of today's date, there is one (1) property on the list and the one (1) property has a tax agreement in place.
- An auction was held for an empty lot on March 24, 2021 and there were no bids made. Subsequently the City purchased the lot at the minimum bid determined by the assessment and approved by Council.



2018 Tax Arrears List (Auction held September 20, 2020):

- On March 31, 2018 the City registered a tax notification on forty (40) properties of which eight (8) were manufactured homes.
- As of today's date, there are two (2) properties remaining on the list. None of these properties have a tax agreement in place. The two (2) properties remaining on the list had a tax sale date of March 25, 2020 which was adjourned to May 20, 2020 and then subsequently to September 10, 2020 due to the COVID-19 situation.
- At the September 20, 2020 tax sale, there were no bids made on the two (2) properties. To date, Council has decided not to take over title for these properties.

As of August 2, 2023, in total there are currently nine (9) properties on tax agreement.

Alternatives:

Council may consider the following options:

1. Council may consider declining the signed agreement and proceed to tax sale for this property.
2. Council may approve the signed agreement enabling the owner to bring taxes to a current position within three (3) years.

Recommended Action:

Administration recommends that Council accept the Property Tax Arrears Agreement for Tax Roll No. 172200 as presented.

Budget Implications (Yes or No):

No

Submitted by:

Kevin Nagoya, Chief Administrative Officer