



STAFF REPORT

Title: Tax Arrears Agreement - Tax Roll No. 4000201300

Meeting Date: March 11, 2025

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. 4000201300 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 \$154.50 starting March 31, 2025. The tax account for this property will be paid in full including estimated future levies and all penalties by February 28, 2028 with a final payment of \$228.91. 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 and the City advise 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.

2024 Tax Arrears List (If required Auction Date TBD 2026):

- On March 31, 2024, the City registered a tax notification on thirty-five (35) properties, of which five (5) were manufactured homes.
- As of today's date, there are thirteen (13) properties remaining on the list and one (1) 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, 2026.

2023 Tax Arrears List (If required Auction Date March 19, 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 eight (8) properties remaining on the list and four (4) 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, 2025.



2022 Tax Arrears List (Auction Date March 27, 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 seven (5) properties remaining on the list and four (4) of these have entered into a tax agreement.
- An auction was held for four (4) properties on March 27, 2024 and there were no bids made on the properties. Subsequently, the City purchased one of these properties at minimum bid as determined by the appraisal and approved by Council, the City registered tax forfeiture title on one (1) property which was approved by Council, one (1) property paid off the property tax arrears, and one (1) property Council has decided not to take over title (the property tax arrears have subsequently been paid).

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 three (3) properties remaining on the list and two (2) of these have entered into a tax agreement. The third property was under a tax agreement; however, this agreement has been terminated due to breach of terms.
- Council set the terms and conditions of sale at the January 10, 2023 Council Meeting and the reserve bids were set at the 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. Subsequently the City purchased the lot at the minimum bid determined by the assessment and approved by Council.

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.
- 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.



- 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.
- At the September 20, 2020 tax sale, there were no bids made on the two (2) properties sent to auction. To date, Council has decided not to take over title for these properties.

As of March 4, 2025, in total there are currently eleven (11) 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:

That Council accept the Property Tax Arrears Agreement for Tax Roll No. 4000201300 as presented.

Budget Implications (Yes or No):

No

Submitted by:

Kevin Nagoya, Chief Administrative Officer