

## Tax Recovery Process

The tax recovery process per the ***Municipal Government Act, Chapter M-26, RSA 2000, Part 10, Division 8***, is described as follows:

- Taxes that are still in arrears two years after they are imposed **must** be included on a tax arrears list that is submitted to the Land Titles Office by March 31 each year.
- The Registrar at Land Titles Office registers a “Tax Recovery Notification” on the Certificate of Title for each property.
- If tax arrears are paid at any time prior to tax sale, the municipality files a “Discharge of Tax Recovery Notification” with Land Titles. The notification is then removed from the Certificate of Title.
- The Registrar sends a notice to the owner of the parcel of land, to any person who has an interest registered against the parcel, and to each owner of an encumbrance as shown on the Certificate of Title stating that if the taxes are not paid by March 31 of the following year, the municipality will offer the parcel for sale at public auction, and the municipality may become the owner of the parcel if it is not sold at public auction.
- During the time between tax notification and tax sale, the municipality makes attempts to enter into payment arrangements with the property owner. These arrangements must pay out tax arrears over a period not exceeding 3 years. Once the tax arrears are paid the tax notification is removed from the Certificate of Title. If arrangements cannot be made, the municipality **must** offer for sale at a public auction any land shown on its tax arrears list.
- The municipality must advertise the public auction in one issue of the Alberta Gazette not less than 40 days and not more than 90 days before the auction. *The City of St. Albert will advertise the public auction in the August 31, 2024 edition of the Alberta Gazette.*
- A second advertisement of the public auction must appear in one issue of a newspaper having general circulation in the municipality (*St. Albert Gazette*).
- Not less than 30 days before the date of the auction, the municipality must send a copy of the Alberta Gazette advertisement to the owner of the parcel of land, each person who has an interest in any parcel to be offered for sale, and each encumbrancee shown on certificate of title. *The City of St. Albert also sends a letter informing the parties about the sale and encouraging payment of the taxes or payment arrangements.*

- Council must authorize the City Assessor to establish a reserve bid at market value and set the terms of the sale.
- A member of the city administration acts as auctioneer for the public auction. The auctioneer, CAO, or employees of the municipality are restricted from bidding on or acting as an agent in buying any property at the auction. *Typically a solicitor from Legal Services will act as auctioneer, if required.*
- If a parcel is not sold at public auction, the municipality may take title to the property. The municipality can then sell the property at market value or acquire fee simple title by paying market value for the property.
- Alternatively, the municipality may “acquire” the parcel. In this instance, a “tax forfeiture” is registered against the title but can remain in the name of the owner. After a period of 15 years the municipality may request a title in the name of the municipality.
- All proceeds from the public auction are deposited into a separate account designated for tax recovery proceeds. Surplus funds are determined by paying out any remedial costs associated with contaminated land, tax arrears, lawful expenses of the municipality and a 5% administration fee.
- The municipality may pay the surplus funds to the previous owner. If the surplus funds are not paid out, the previous owner must be notified that he or she can make an application to the Court of King’s Bench to obtain the surplus funds. If this application is not made, the municipality can, after a ten-year period, make use of the funds for any purpose.