



Legislation Details (With Text)

File #: AR-17-037 **Version:** 1 **Name:**
Type: Agenda Reports **Status:** Passed
File created: 1/6/2017 **In control:** City Council
On agenda: 3/6/2017 **Final action:** 3/6/2017
Title: 2017 Public Tax Sale
Presented by: Greg Dahlen, Director Assessment & Taxation Services

Sponsors:

Indexes:

Code sections:

Attachments: 1. Tax Recovery Process - 2017, 2. Terms and Conditions of Sale -2017, 3. Table

Date	Ver.	Action By	Action	Result
3/6/2017	1	City Council	approved	Pass

TAMRMS#: B06

2017 Public Tax Sale

Presented by: Greg Dahlen, Director Assessment & Taxation Services

RECOMMENDATION(S)

1. That the City Assessor be authorized to set a reserve bid for each parcel of land on the tax arrears list that is to be offered for sale at the April 26, 2017 public tax sale, with the requirement that the City Assessor set the reserve bid as close as reasonably possible to the market value of each property.
2. That the Terms and Conditions of Sale, provided as Attachment 2 to the March 6, 2017 agenda report entitled "2017 Public Tax Sale", be approved.

PURPOSE OF REPORT

This report provides Council with an overview of the tax recovery process and the steps leading up to a possible tax sale on April 26, 2017.

COUNCIL DIRECTION

The Public Tax Sale report is brought before Council annually.

BACKGROUND AND DISCUSSION

Municipalities typically have a tax recovery process in place to collect taxes on properties that are delinquent in arrears. Sections 410-422 of the Municipal Government Act outline the process whereby the municipality can attempt to collect these tax arrears. Any property that is in arrears for

two or more taxation years is eligible to become part of the tax arrears list. A tax sale via “public auction” is the method that a municipality has at its last disposal to recover taxes in arrears. No property can be sold at less than its market value based reserve price, as established by the City Assessor. Typically, owners or mortgage companies will make arrangements to settle the tax account prior to the date of the auction. However, the City must still make provisions for a public tax sale, should it be necessary. The tax recovery process is described in depth in Attachment 1.

As of January 20, 2017, there remained 13 properties on the outstanding tax arrears list.

If required, the public auction is scheduled for 2:00 p.m. on April 26, 2017 in the Douglas Cardinal Boardroom of St. Albert Place. Terms and conditions of the sale are summarized in Attachment 2.

The parcels of land shown in Attachment 3 will be offered for sale, unless taxes are paid in full or suitable payment arrangements are made.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

- Affected property owners have been sent arrears notices on a regular basis to inform them of additional penalties being applied to their accounts and encouraging them to enter into payment arrangements to avoid tax sale proceedings.
- As per the Municipal Government Act (s.412), affected property owners have been contacted by the City to notify them that they are part of the *Tax Notification List*.
- Affected property owners, and those parties having a registered interest as recorded on the land title document, will be sent notification of the impending tax sale per tax recovery legislation.
- Taxation staff work continuously up until the date of the tax sale, to contact and engage with affected property owners to encourage payment of the tax account in full or to make suitable payment arrangements.

IMPLICATIONS OF RECOMMENDATION(S)

- a) Financial:
 - As of January 20, 2017, tax arrears on the 13 properties listed, amount to \$270,574.
- b) Legal / Risk:
 - Holding the public auction satisfies requirements of the Municipal Government Act (s.418). The Act (s.419) also requires that reserve bids and conditions of sale be established before the sale. Following the public auction process the municipality can, if it wants, obtain title to properties for which taxes are not paid and which were not sold at the auction.
- c) Program or Service:
 - None at this time.
- d) Organizational:

- None at this time.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

If Council does not wish to support the recommendation, the following alternatives could be considered:

Alternative 1:

The City may choose to not pursue the collection of taxes in arrears via the tax recovery process. This would have the effect of further delaying the revenue collection associated with delinquent tax arrears.

STRATEGIC CONNECTIONS

- a) City of St. Albert Strategic Plan (Policy C-CG-02) - Pillars of Sustainability
 - ECONOMIC - We prosper and excel through a strong and diverse economy that is supported by forward-thinking commerce, outstanding local businesses and a dynamic downtown core.
- b) Long Term Plans
 - N/A
- c) Council Policies
 - C-FS-05, Budget and Taxation Guiding Principles
- d) Other Plans or Initiatives
 - N/A

Report Date: March 6, 2017

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