Village of Rycroft
Request for Decision

Council Meeting Date: December 4, 2019

TOPIC: Tax Sale 2019

CAO RECOMMENDATION: That Council direct Administration to register the Village's name as title holder for Roll Numbers 189.000, 190.000, 314.000, 386.000, 387.000, 388.000, and 433.000 for tax forfeiture as a result of the November 18, 2019 Tax Sale, AND THAT once the Village gains title to the properties, enlist a realtor to market the properties for sale.

BACKGROUND: Seven properties were offered for sale at the annual tax sale on October 29. Only staff were present at the sale, and there were no bidders. The properties listed were:

Lot	Block	Plan	Certificate of Title	Roll Number	Civic Address	Reserve Bid
19	13	2855HW	122 076 214 +1	189.000	4731 53 street	$15,530
20	13	2855HW	122 076 214	190.000	4727 53 street	$15,530
5	21	7520103	092 311 341	314.000	4519 48 street	$15,530
36	23	7922050	102 246 555 +2	386.000	4512 46 ave	$17,960
37	23	7922050	162 312 389	387.000	4516 46 ave	$17,960
38	23	7922050	162 312 389 +1	388.000	4520 46 ave	$17,960
8	26	7922050	792 201 586 CG	433.000	4428 46A ave	$16,910

An eighth property was slated for sale, but the arrears taxes were paid prior to the sale date.

All lots are vacant residential lots with no improvements.

Council now has three options as per the *Municipal Government Act* when a property is not sold at public auction:

1) 'Tax Forfeiture' Title: The municipality does not purchase the property but registers its name on title by registering a Tax Forfeiture Instrument (a "Notification of Municipal Acquisition" form). This allows the municipality to rent, license, lease, or dispose of the property at a price as close as reasonably possible to market value to recoup the arrears taxes. If the property is not disposed of under MGA s. 425(1), the municipality may, 15 years following the date of the public auction, request that the Registrar cancel the existing certificate of title marked 'Tax Forfeiture' and issue a certificate of title in the name of the municipality.

2) Clear Title: After the municipality has acquired Tax Forfeiture Title, the municipality can acquire the property by depositing an amount equal to the reserve bid (market value) into a separate account. The amount paid goes to the tax arrears and all costs and expenses as required under s. 427(2). The municipality must notify the previous owner if there is money remaining. The property is then the municipality's to do with as they wish.

3) Do nothing: Taxes continue to accrue and remain on the municipalities' books as a growing liability. The municipality cannot dispose of the property or rent, licence or lease it. This option does not allow the property to revert to the municipality after the 15-year time period.

IMPLICATION OF DECISION

FINANCIAL IMPLICATIONS: Option 1 Tax forfeiture allows Council to sell the property to clear the tax costs. Option 2 means Council would have to pay the full upset price cost – an option not in our budget.

POLICY AND/OR LEGISLATIVE IMPLICATIONS: The Municipality must follow the *Municipal Government Act Division 8 Recovery of Taxes Related to Land*.

ALTERNATIVE OPTIONS:

- Council could purchase the properties and gain clear title (non- budgeted item)
- Council could do nothing

ATTACHMENTS: Tax Sale 2019 Minutes

Peter Thomas — November 18, 2019

Chief Administrative Officer — **Date**