Village of Rycroft
Request for Decision

Council Meeting Date: August 3, 2022

TOPIC: Tax Sale 2022

CAO RECOMMENDATION:

1. That Council direct Administration to register the Village's name as title holder for Roll Number 135.000 for tax forfeiture as a result of the July 26, 2022 Tax Sale.

2. That Council direct Administration to demolish the public safety concern unsightly, unliveable house located at 4732 51 Street in the Village.

3. That once the Village gains title to the property, that Council direct Administration to enlist a realtor to market the property for sale.

BACKGROUND: One property was offered for sale at the annual tax sale on July 26. Only staff were present at the sale, and there were no bidders. The Commercial zone lot with improvement property listed was:

Lot	Block	Plan	Certificate of Title	Roll Number	Civic Address	Reserve Bid
8	8	6504ET	122 391 546	135.000	4732 51 Street	$20,610

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.

After the Tax Sale, we went over to the property and found the owner. He is indifferent to the property and accepts it as a bad, uncared for, lost investment. There is no one living on the property, and it is full of refuse, animal excretion, and mouldy conditions. The house is unfit for occupation and should be removed as soon as possible, as it is a liability, and hazard to public safety.

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 and pay the remaining balance to the delinquent property owner.
As per our past practice, we would expect cost of site clean up to ~$10,000.

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 property and gain clear title
- Council could do nothing

ATTACHMENTS: Tax Sale 2022 Minutes

Peter Thomas — July 26, 2022

Chief Administrative Officer — **Date**