



**Village of Rycroft  
Request for Decision**

**Council Meeting Date: August 2, 2023**

**TOPIC:** Tax Sale 2023

**CAO RECOMMENDATION:**

1. That Council direct Administration to register the Village's name as title holder for Roll Numbers 206.000, 306.000, and 350.000 for tax forfeiture as a result of the July 26, 2023 Tax Sale.
2. That Council direct Administration to demolish the public safety concern unsightly, unliveable trailer located at 4603 47 Street in the Village.
3. That once the Village gains title to the property, that Council direct Administration to enlist a realtor to market Roll Numbers 206.000, 306.000, and 350.000 properties for sale.

**BACKGROUND:** Three properties were offered for sale at the annual tax sale on July 26. There were no bidders. The properties were:

Lot	Block	Plan	Certificate of Title	Roll Number	Civic Address	Reserve Bid
11+12	14	253KS	202 204 232	206.000	4648 53 Street	\$114,560
10	20	7520103	202 090 765	306.000	4536 48 street	\$15,740
1	23	7723006	042 316 764	350.000	4603 47 Street	\$76,550

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 had further discussions with the owner of the 2 properties with improvements and advised him that the Tax Sale results will be reviewed at the August 2 Regular Meeting for Council consideration and direction. The house on 53 street continues to be occupied by himself, and the 47 street trailer property is unfit for occupation and should be removed as soon as possible, as it is a liability, and hazard to public safety.

At this time the owner has advised that he has been in discussions with other parties in order to resolve this situation.

### 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.

We would expect cost of site clean up to ~\$15,000.

**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 2023 Minutes

Peter Thomas

Chief Administrative Officer

July 27, 2023

Date