

**RESERVE BIDS FOR PROPERTIES IN THE 2017 TAX SALE  
FILE NO: 2017 TAX SALE (JM)**

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**EXECUTIVE SUMMARY**

The purpose of this report is to request approval of the Reserve Bids for properties in the 2017 tax sale.

In accordance with the *Municipal Government Act* (MGA), every year Administration brings forward a list of properties that have been identified for public auction. This year the public auction is scheduled for 2017 April 20 at the Calgary Power Reception Hall, Municipal Building, 800 Macleod Trail S.E. at 10:00 am.

**ADMINISTRATION RECOMMENDATIONS:**

The SPC on Utilities and Corporate Services recommend that Council:

1. Approve the Reserve Bids for Properties in the 2017 Tax Sale as outlined in Attachment 1; and
2. Request the Report, Recommendations, and Attachments remain confidential under Sections 23(1)(b), 24(1)(a), 24(1)(c), 24(1)(g) and 25(1)(b) of the *Freedom of Information and Protection of Privacy Act* until the report is published in the Council agenda.

**RECOMMENDATION OF THE SPC ON UTILITIES AND CORPORATE SERVICES, DATED  
2017 MARCH 22:**

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That Administration Recommendation 1 contained in Report UCS2017-0280 be approved.

**PREVIOUS COUNCIL DIRECTION/POLICY**

None

**BACKGROUND**

For a property to be added to the tax sale, it must be in tax arrears for three consecutive years and the tax sale process is a way for The City to recover these outstanding taxes.

Under the terms and conditions of the MGA, Chapter M-26 RSA 2000, a Municipality must by resolution, fix a minimum sale price for each parcel, which shall be the Reserve Bid, and any conditions that apply to the sale. The Sales & Acquisitions Division of Real Estate & Development Services have viewed the properties in the 2017 Tax Sale prior to the determination of the reserve bids, and has compiled a schedule of Reserve Bids representing the minimum sale price.

**INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Credit and Collections within Finance/Tax, Receivable and Payable works with property owners and mortgage holders to facilitate payment of taxes. Credit and Collections will provide owners with opportunities such as payment plans in attempts to have the taxes paid and the properties removed from the tax sale. Referral to social aid agencies are also provided where warranted.

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In certain situations where there is no mortgage holder, an option of memorandum could be offered. The tax sale is the last resort to recover tax debts. Property owners do have up to the start of the tax sale to arrange for a resolution on the outstanding taxes.

Properties that do not sell at the public auction can still be made available for sale through The City's standard sales process within Real Estate & Development Services in an attempt to recover outstanding taxes.

**Valuation**

Administration has viewed all properties included in the Reserve Bid Listing (Attachment 3) and determined an estimate of market value to be used as the Reserve Bid for each parcel. The Reserve Bid represents the minimum bid that will be accepted as each parcel is called out during the Tax Sale.

**Stakeholder Engagement, Research and Communication**

As per the MGA, tax recovery notifications are registered on title and owner(s) are also notified directly that their property is on the tax arrears list.

The public auction will be advertised in The Alberta Gazette and The Calgary Herald prior to the auction.

**Strategic Alignment**

None

**Social, Environmental, Economic (External)**

**Social**

No implications were identified.

**Environmental**

The properties will not be reviewed in accordance with The City's Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy as they will be sold "as is".

**Economic (External)**

No implications were identified.

**Financial Capacity**

**Current and Future Operating Budget:**

None

**Current and Future Capital Budget:**

The net proceeds from any sale will be transferred to the Tax Forfeiture account. The previous owner(s) may then make an application to the court to obtain those proceeds. If proceeds from a sale are not claimed within 10 years from the date of sale, The City may, for any purpose, use those proceeds.

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**Risk Assessment**

If this item is not approved, The City will not be in compliance with the requirements set forth in the MGA regarding its obligations to set the Reserve Bids for the Tax Sale scheduled for 2017 April 20. The 2017 March 22 meeting of the SPC on Utilities and Corporate Services is the last available opportunity to bring this report forward for Council approval prior to the 2017 April 20 date scheduled for the Tax Sale.

**REASONS FOR RECOMMENDATIONS:**

Under the MGA, municipalities are responsible for collecting taxes for municipal and educational purposes. Property taxes collected from properties is one significant revenue source to pay for municipal services. The City has the ability to recover tax arrears under the MGA by undertaking a public auction to recovering outstanding taxes through a tax sale. By way of tax sale, this helps contribute to the financial stability of The City.

**ATTACHMENTS**

1. Recommendations
2. Public Sale of Land – Municipal Government Act
3. Reserve Bid Listing