

2022 Tax Sale

RECOMMENDATIONS:

That the Infrastructure and Planning Committee recommends that Council:

1. Authorize the Recommendations as outlined in Attachment 1;
2. Authorize the Reserve Bids for properties in the 2022 Tax Sale as outlined in Attachment 2; and
3. Authorize the Coordinator, Real Estate Acquisitions of Real Estate & Development Services to bid on parcels at the 2022 Tax Sale.

RECOMMENDATIONS OF THE INFRASTRUCTURE AND PLANNING COMMITTEE, 2022 JULY 7:

That Council:

1. Authorize the Recommendations as outlined in Attachment 1;
2. Authorize the Reserve Bids for properties in the 2022 Tax Sale as outlined in Attachment 2; and
3. Authorize the Coordinator, Real Estate Acquisitions of Real Estate & Development Services to bid on parcels at the 2022 Tax Sale.

HIGHLIGHTS

- The purpose of this report is to request approval of the Reserve Bids for properties in the 2022 Tax Sale and to also permit The City to bid on parcels if the lands are required for municipal purposes.
- In accordance with the *Municipal Government Act* Chapter M-26 RSA 2000 (the "MGA"), every year Administration brings forward a list of properties that have been identified for auction to the general public. This year the public auction is scheduled for 2022 September 22 in the Municipal Complex at 10:00 a.m.
- The Tax Sale matters as it is a method for The City to recover outstanding property taxes. This will benefit Calgarians as it can reduce the burden on Calgarians to recover outstanding property taxes.
- Through the MGA, Real Estate & Development Services, on behalf of the City will be permitted to bid on properties in the Tax Sale that are required for municipal purposes.
- Strategic Alignment to Council's Citizen Priorities: A well-run city

DISCUSSION

The City relies on the collection of property taxes to provide services, maintain and build infrastructure and to make Calgary a great place to live. Each year, The City holds a public auction of properties with that have a tax notification registered on the certificate of tile for outstanding property taxes. This public auction is known as the tax sale. For a property to be added to the tax sale, it must be in tax arrears for three consecutive years. The tax sale process is one of the final ways for The City to recover outstanding taxes.

Under the terms and conditions of the MGA, 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

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sale. The Sales & Acquisitions Division of Real Estate & Development Services have reviewed the properties in the 2022 Tax Sale prior to the determination of the reserve bids and have compiled a schedule of Reserve Bids representing the minimum sale price at the auction, as shown in Attachment 2.

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. 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 the period 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 through Real Estate & Development Services in an attempt to recover outstanding taxes.

VALUATION

The City 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 for each parcel during the Tax Sale.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

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 prior to the auction. This advertising is consistent with previous years and is a requirement pursuant to the MGA.

IMPLICATIONS

Social

Not Applicable

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

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Not Applicable.

Service and Financial Implications

Other:

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 the tax sale or the date of a sale, The City may, for any purpose, use those proceeds.

RISK

If Recommendations 1 and 2 are 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 2022 Tax Sale. The 2022 July 07 meeting of Infrastructure and Planning Committee is the last available opportunity to bring this report forward for Council approval prior to the 2022 September 22 date scheduled for the Tax Sale.

The impact of all risks is considered medium while the likelihood of all risks is considered low.

ATTACHMENTS

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

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Michael Thompson, General Manager	Infrastructure Services	Approve
Campbell Berry, Director	Real Estate & Development Services	Approve