

2023 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 2023 Tax Sale as outlined in Attachment 3; and
3. Authorize the Coordinator, Real Estate Acquisitions of Real Estate & Development Services to bid on parcels at the 2023 Tax Sale.

RECOMMENDATIONS OF THE INFRASTRUCTURE AND PLANNING COMMITTEE, 2023 MARCH 2:

That Council:

1. Authorize the Recommendations as outlined in Attachment 1;
2. Authorize the Reserve Bids for properties in the 2023 Tax Sale as outlined in Attachment 3; and
3. Authorize the Coordinator, Real Estate Acquisitions of Real Estate & Development Services to bid on parcels at the 2023 Tax Sale.

HIGHLIGHTS

- The purpose of this report is to request approval to authorize the recommendations set forth in Attachment 1, authorize the Reserve Bids for properties in the 2023 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 2023 April 26 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.

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 title 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.

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Credit and Collections within Finance/Tax, Receivable and Payable works with property owners and mortgage holders to facilitate payment of taxes. Referral to social aid agencies are also provided where warranted. In certain situations where there is no mortgage holder, the option of a memorandum identifying a payment plan 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.

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 sale. The Sales & Acquisitions Section of Real Estate & Development Services have reviewed the properties in the 2023 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.

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.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | | | |
|-------------------------------------|---|-------------------------------------|---|
| <input type="checkbox"/> | Public engagement was undertaken | <input checked="" type="checkbox"/> | Dialogue with interested parties was undertaken |
| <input checked="" type="checkbox"/> | Public/interested parties were informed | <input type="checkbox"/> | Public communication or engagement was not required |

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, where is".

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Economic

Not Applicable.

Service and Financial Implications

Other:

The net proceeds from any sale will be paid out to the previous owner(s) if there are no debts secured by an encumbrance registered on title to the property or, if there are debts owing, 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, use those proceeds for any purpose.

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 2023 Tax Sale. The 2023 March 14 Regular Meeting of Council is the last available opportunity to bring this report forward for Council approval prior to the 2023 April 26 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 Property – 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