



REQUEST FOR DECISION

MEETING DATE: August 25, 2025

TITLE: 2025 Tax Recovery Public Auction - Reserve Bids, and Terms and Conditions

DIVISION: Corporate Services

SUMMARY:

Council approval of the reserve bids and terms and conditions for the 2025 tax recovery public auction scheduled for November 19, 2025, is required.

PROPOSED MOTION:

THAT the reserve bids for the 2025 tax recovery public auction be approved as presented.

THAT the terms and conditions for the 2025 tax recovery public auction be approved as presented.

BACKGROUND / ANALYSIS:

Part 10, Division 8 of the *Municipal Government Act* (MGA) requires that a municipality annually, no later than March 31, prepare a tax arrears list showing the parcels of land in the municipality in respect of which there are tax arrears for more than one year. That is, they are unpaid a year from January 1 following the year the taxes were imposed. If the taxes have not been paid, an action (e.g. public auction) has not been started, and a tax agreement providing for the payment of arrears is not reached between the municipality and the landowner, the municipality must offer for sale at a public auction any land shown on its tax arrears list. Any parcel of land shown on the 2024 tax arrears list which remained in arrears on March 31, 2025, must be offered for sale at public auction between April 1, 2025, and March 31, 2026. However, the property owner can pay the arrears in full up to the start time of the auction in order to remove the property from the auction list.

Designated mobile homes are dealt with in a similar manner under Part 10, Division 8.1 of the MGA, with the exception that a tax recovery lien (statutory charge) is registered against the property and notice is issued to the mobile park operator.

The MGA requires Council to set a reserve bid that is as close as reasonably possible to the market value of each property and any terms and conditions that apply to the sale. Reserve bids are for current market value and have been prepared by the City Assessor and are attached for Council's approval. The 2025 public auction terms and conditions are attached for Council's approval. The proposed amendments to the current public auction terms and conditions are detailed in the redlined version of the terms and conditions attached to this Request For Decisions (RFD) to demonstrate the changes.

There were seven (7) properties included on the 2024 Reserve Bids listing for a total market value of \$2.805 million. None of these properties went up for auction in 2024 as property owners eventually paid or entered an agreement to pay the outstanding balances. There are currently nineteen (19) properties on the 2025 Reserve Bids listing for a total market value of \$7.8 million.

OPTIONS / ALTERNATIVES:

n/a

CONSULTATION / ENGAGEMENT:

A third party, TAXervice, has been contracted to manage the property tax arrears recovery process.

IMPLEMENTATION / COMMUNICATION:

Both Administration and the contractor have issued correspondence throughout the process to advise property owners of the pending auction if arrears are not paid in full. In compliance with the MGA, the Alberta Land Titles office has sent notices (prior to August 1, 2024) to all registered property owners and caveat holders stating that if tax arrears were not paid before March 31, 2025, the municipality must offer the parcel/property for sale at public auction.

The 2025 public auction is scheduled for November 19, 2025, at 10:30 a.m. in the Jen-Col and Zender Ford Rooms at Border Paving Athletic Center (BPAC). All parties who hold a registration against the title of the property must be advised of the tax recovery proceedings so that they are aware and can have the opportunity to protect their interests.

The auction is advertised in accordance with the requirements of the MGA. Advertising takes place in the Alberta Gazette no less than 40 days and no more than 90 days before the auction

date, and in the local newspaper no less than 10 days and no more than 20 days before the auction date. The municipality must send a copy of the Gazette advertisement to the affected parties no less than four weeks before the date of the public auction. Terms, conditions, and reserve bids must be approved at the August Council meeting for the advertising deadlines to be met.

IMPACTS:

The municipality must ensure that the process is completed as required by the MGA. The municipality must act in the best interest of the person responsible to pay the tax and to protect the rights of the landowner throughout the entire process. Therefore, it is critical that the municipality ensures that all steps are followed. Failure on the municipality's part to do this may result in the tax recovery process being set aside by the courts and the municipality being directed to begin the process over again. The MGA provides specific direction on steps the municipality can take should the properties be unsold at the auction. Only Council has the authority to cancel or reduce tax arrears under Section 347 of the MGA.

FINANCIAL IMPLICATIONS:

n/a