

2021 PUBLIC TAX AUCTION RESOLUTION

RECOMMENDATION

That the 2021 Tax Public Auction of properties with 2020 tax notifications registered on title, be held on Tuesday, January 25, 2022, commencing at 10:00 a.m., in a location determined by the City Assessor.

Report Purpose

Council decision required

Council is being asked to approve a motion that the 2021 Tax Public Auction of properties with 2020 tax notifications registered on title, be held on Tuesday, January 25, 2022 commencing at 10:00 a.m. in a location determined by the City Assessor.

Executive Summary

- Each year, municipalities are required to offer for sale, at public auction, any parcel of land remaining in arrears and subject to a Tax Recovery Notification. The 2021 Tax Public Auction list reflects the 151 properties remaining eligible for tax sale, representing a total amount of \$4,137,344.33 in outstanding property taxes.
- The 2020 Tax Public Auction list includes 11 properties eligible for tax sale, representing \$757,519.68 in outstanding property taxes.
- Fewer properties are likely to be available on the tax public auction date as the potential sale often causes owners to pay their outstanding property tax amounts.

REPORT

The *Municipal Government Act* (MGA) requires that municipalities offer for sale by public auction, any parcel of land remaining in arrears and subject to a Tax Recovery notification. The City of Edmonton typically holds an annual Tax Public Auction in April, for properties with a tax notification registered at Alberta Land Titles during the previous year. Registered tax notifications

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are placed after a property is in arrears for more than one full year, meaning properties on the 2020 tax sale list have outstanding taxes from 2017 or earlier.

During the COVID-19 pandemic, tax collection efforts were paused in 2020. As a result, the 2020 public auction for properties with 2018/2019 tax recovery notifications was adjourned from April 2020 until November 25, 2021 pursuant to a Ministerial Order issued on April 24, 2020.

There are 11 properties remaining on this 2020 tax sale list, and the Tax Public Auction of these properties will occur on November 25, 2021 as previously approved by City Council on October 5, 2020 (CR_8366 Tax Public Auction Resolutions). However, there are an additional 151 properties eligible for the 2021 Tax Public Auction, currently scheduled for the same date.

Many property owners who found themselves in financial difficulties during and prior to 2020 have not been able to resolve their situation during 2021, resulting in a significantly higher number of properties eligible for the 2021 public auction. In previous years, generally fewer than ten properties remain on the tax sale list as of the public auction date.

In addition, mortgage companies typically pay outstanding taxes before the tax sale in order to clear the title of the properties in which they have an interest. This year, however, many companies have chosen to pursue foreclosure action and do not intend to pay the taxes prior to the Tax Public Auction date.

An adjournment of the 2021 Tax Public Auction to January 25, 2022 can be approved by Council pursuant to Section 422 of the MGA, which allows a tax sale to be deferred up to two months from the advertised sale date.

This adjournment will allow Administration more time to pursue payment or payment arrangements, and will provide sufficient time for independent appraisals to be completed for the remaining properties prior to the auction date.

Legal Implications

Section 422 of the MGA allows a municipality the ability to adjourn a public auction up to two months from the date it was originally advertised. Since this original date was set by a resolution of the City Council, City Council would need to approve such an adjournment.

COMMUNITY INSIGHT

No public engagement was undertaken for this activity. It is a legislated requirement that City Council approve the annual tax sale public auction date, the terms and conditions of sale and the method of establishing the reserve bid for properties included in the auction. Adjourning the 2021 Tax Public Auction to January 25, 2022 provides additional time for property owners to enter payment arrangements and prevent the properties being listed for tax sale.

GBA+

Administration works closely with each property owner on the tax sale list over the course of several years. Tax sale is a last resort when other resolutions have not been reached. Tax collectors ensure they follow a fair and consistent process for all property owners in tax arrears.

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ATTACHMENT

1. Terms and Conditions of Sale for the Public Auction