

2024 TAX PUBLIC AUCTION RESOLUTION

Recommendation

1. That the 2024 Tax Public Auction be held on October 24, 2024, in Council Chamber, City Hall, commencing at 10 a.m.
2. That the reserved bid be set for all properties at fair market value and that the market value be determined by an independent appraisal of each property.
3. That the Terms and Conditions of Sale as outlined in Attachment 1 of the June 11, 2024, Financial and Corporate Services report FCS02409, be approved.
4. That approval is given to the City Assessor to exercise discretion, if necessary, to adjourn the auction for a period of up to 60 days after the advertised date.

Requested Council Action		Council decision required	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
CONNECTED This unifies our work to achieve our strategic goals.		N/A	
City Plan Values	N/A		
City Plan Big City Move(s)	N/A	Relationship to Council's Strategic Priorities	Conditions for service success
Corporate Business Plan	Managing the Corporation		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • N/A 		

Executive Summary

- Each year, municipalities must offer for sale, at public auction, any parcel of land remaining in arrears of taxes and subject to a Tax Recovery Notification. This report describes the annual process that will be followed by the City as set out in the *Municipal Government Act* (MGA).

2024 TAX PUBLIC AUCTION RESOLUTION

- The 2024 Tax Public Auction list reflects the properties eligible for tax sale as of April 29, 2024. This includes 812 properties representing a total amount of \$8,793,845.13 in outstanding property taxes.
- Significantly fewer properties are expected to be available on the tax public auction date as the potential sale often results in the payment of outstanding property tax amounts.

REPORT

Each year, City Council receives a report on the annual property tax public auction. The annual auction allows municipalities in Alberta to recover taxes from properties that have been in arrears for more than two tax years following the year the tax was imposed. Proceeds from any sale are applied toward the outstanding tax balance, and then used to pay creditors, following which, any remaining funds are transferred to the previous owner. The terms and conditions for potential buyers at the auction are outlined in Attachment 1.

The 2024 Tax Public Auction list (Attachment 2) shows the properties eligible for tax sale as of April 29, 2024. The list includes 812 properties, which have a total amount of \$8,793,845.13 in outstanding property taxes.

Significantly fewer than 812 properties will likely be available for auction by the actual auction date, as the initiation of the auction process often results in property owners paying the outstanding taxes. Payment removes the tax account from arrears. From 2019 to 2023, the average number of accounts originally listed for tax sale was 1,090; however, an average of 17 properties were offered for sale by the time of the public auction.

Tax Public Auction Process

The following steps apply with respect to the properties included in the Tax Public Auction list for October 24, 2024:

- 1) In February 2023, a tax recovery notification warning letter was issued to the owners of any property that was in arrears of taxes of more than one year.
- 2) On March 31, 2023, a tax recovery notification was registered against the property title at the Alberta Land Titles Office, with respect to those properties where taxes remained in arrears as of that date.
- 3) Once the tax recovery notification was registered, confirmation of this registration was sent to the owners of the property by the Alberta Land Titles Office.
- 4) Every parcel that has an existing tax recovery notification on title is scheduled to be offered for sale at a public auction after March 31 of the year immediately following the date of registration.
- 5) In July 2024, a warning letter will be mailed to owners of properties remaining on the tax sale public auction list.
- 6) A list of tax public auction properties will be advertised in one issue of the Alberta Gazette (official newspaper of the Government of Alberta) between 40 to 90 days before the auction date.

2024 TAX PUBLIC AUCTION RESOLUTION

- 7) At least four weeks before the date of the public auction, a registered notice will be sent by the City of Edmonton to:
- a) each owner;
 - b) each person whose interest is evidenced by a caveat registered by the Registrar, Alberta Land Titles; and
 - c) each encumbrance shown on the certificate of title for each parcel included in the tax public auction.
- 8) A list of tax public auction properties will be advertised in one issue of the Edmonton Journal, a local newspaper, between 10 and 20 days before the public auction date.
- 9) A list of tax sale properties will be posted on the City's website after the properties are published in a local newspaper.

Properties offered for public auction that are not sold and not redeemed by the taxpayer may be acquired by the City of Edmonton.

Section 422 allows a municipality to adjourn an auction for a period of up to 60 days after the advertised date. There have been times when an adjournment (i.e., rescheduling) of an auction at the last moment may have been useful (e.g., COVID-19 pandemic). Currently to adjourn an auction, Council would need to approve a request to adjourn provided in a report from Administration. The recommendation would allow the City Assessor to decide whether to adjourn the auction.

Community Insight

Details of the notices provided to the property owners and the public are outlined in the process section above. It is a requirement, under the MGA, that City Council approve the annual tax sale public auction date, the terms and conditions of the sale and the method of establishing the reserve bid for properties included in the auction. Community input would not alter the auction requirements.

GBA+

Administration works with any owner of a property on the tax sale list over the course of several years to reach a solution for an account in arrears. Tax sale is a last resort when other paths to resolutions have been exhausted. Tax collectors follow a fair and consistent process for all property owners. As a practice, property taxation is not related to any individual's gender, race, ethnicity, religion, age or disability, in that the amount of taxes is based solely on a property's value and use.

Attachments

1. Terms and Conditions of Sale for the Public Auction
2. 2024 Tax Public Auction List