



**Town of Hinton
Special Meeting of Council
AGENDA
July 21, 2020 - 6:00 PM
Council Chambers, Hinton Government
Centre
2nd Floor, 131 Civic Centre Road
Hinton, Alberta**

Page

ADOPTION OF AGENDA

1. Special Meeting of Council Agenda - Tuesday, July 21, 2020

ACTION ITEMS

1. CAO Contract & Appointment
 2. Tax Sale Auction 111 Maskuta Drive
- 2 - 5

ADJOURNMENT

1. Call for Adjournment of Meeting



TOWN OF HINTON Administrative Report

DIRECTION REQUEST REQUEST FOR DECISION INFORMATION ITEM

DATE: Regular Council Meeting of July 21, 2020
PRESENTED BY: Emily Olsen, Interim Chief Administrative Officer
RE: **2020 Public Auction – Reserve Bid - Tax Arrears for 111 Maskuta Drive**

Recommended Action

That Council approves the reserve bids shown on Attachment 1 for tax arrears property 111 Maskuta Drive that will be offered for sale at public auction on September 14, 2020.

That Council approve the following sale conditions for the tax arrears properties that may be sold at the public auction:

- A) That a deposit of 10% of the purchase price be paid at the time of purchase, and*
- B) That the balance of the purchase price be paid by September 18, 2020.*

Background

This item is before Council to approve a public auction of tax arrears properties as well as set the Reserve Bid, which should come as close to market value as reasonably possible. There is one commercial property on the tax sale list whose property taxes in the amount of \$170,841.66 are over 4 years delinquent.

The Town works extremely hard to assist home and business owners in the process and understanding of property taxation and amounts owing. Every reasonable attempt is made to set up payment plans and work with the owner to ensure amounts are paid, as necessary. The final step in the property tax collection process is to move forward with the collection of tax arrears through tax sale.

Section 419 of the Municipal Government Act (MGA) RSA 2000, c-M26 requires Council to set a market value reserve bid for each property that is to be offered for sale at a public auction and to set the conditions that apply to the sale.

The last time a public auction took place was in December of 2016 for two properties totalling \$530,000 and followed the required process for the tax sale outlined in the MGA.

Analysis

The Town works hard to assist home and business owners in the process and understanding property taxation, timelines, penalties, and amounts owing. In many cases even with severely delinquent accounts, payment plans are accommodated following the guidelines within the legislation which extends the time allowable. In addition, many different options of payment are offered to taxpayers to accommodate their needs. Every reasonable attempt following the legislation, is made to set up payment plans and work with the owner to ensure amounts are being paid, as necessary. The final step in the property tax collection process is to move forward with the collection of tax arrears through tax sale.

Written by: Carla Fox, Director of Corporate Services

All affected property owners have been advised on numerous occasions that their taxes were in arrears. The Alberta Land Titles Office has advised the property owners that a tax recovery notification had been registered on their Certificate of Title. Statements are sent to every outstanding account in January, May, July, August, and November of each year. Administration follows a Legislated Requirement Checklist to ensure all appropriate steps are being followed for this process.

Market value reserve bids for the affected properties have been established by McCartney-Radench Appraisals Inc. Sale proceeds are used to firstly satisfy tax arrears and costs. If a property does not sell, the Town of Hinton may become the owner.

Historically, most property owners pay their tax arrears and costs prior to the auction date.

Tax Sale Process

- A tax sale is a public auction of properties within a municipality which have outstanding property taxes for greater than 2 years.
- Properties to be sold at a Tax Sale are advertised in the Alberta Gazette and the local newspaper.
- The lowest amount for which a property may be sold at a Tax Sale is the reserve bid.
- The property owner has until the time of the auction on the day of the Tax Sale to pay the tax arrears on their property to avoid being auctioned at the Tax Sale.
- The highest bid above the reserve bid is declared the purchaser.
- If there is no bid, or no bid equal to the reserve bid, the municipality may become the owner of the property.
- The successful bidder must meet the conditions of the auction upon a successful bid. All payments are to be made by cash, bank draft or certified payment.

Implications of Decision

Financial Implications	
Items	Comments
Operating Cost/Implications	\$0
Capital Cost	\$0 – There are no capital costs.
2020 Budget Available	\$0 – There are no additional funds required.
Source of Funds	\$0
Unbudgeted Costs	Reserve Bid Amount \$2,583,000
○ Options for where to acquire the necessary funds	-Sale proceeds are used to firstly satisfy tax arrears and costs.

Level of Service Implications

No change to level of service.

Communications

Under the Legislated Requirements Checklist following the MGA specific guidelines for advertising a tax sale are laid out and followed by Administration. An advertisement of public auction is to be placed in the Alberta Gazette not less than 40 days and not more than 90 days prior to date of auction. In addition, an advertisement for public auction is to be placed in one issue of the local newspaper, not less than 10 days and not more than 20 days from the date of the public auction.

Risk / Liability

The rules around the tax sale process are very specific and must be followed exactly. If a step is missed then the Town risks having to start the entire process from step 1.

Legislative Implications		
Conforms with:	Yes/No/Partial	Comments
Council's Strategic Plan	Yes	Goal 3: Foster innovative, efficient, and exceptional service delivery.
Community Sustainability Plan	N/A	
Municipal Policies or Bylaws	Yes	
Provincial Laws or MGA	Yes	MGA – Part 10, Division 8 – Recovery of Taxes Related to Land
Other plans or policies	Yes	

Options / Alternatives

1. That Council approves the reserve bids shown on Attachment 1 for tax arrears property 111 Maskuta Drive that will be offered for sale at public auction on September 14, 2020.

And That Council approve the following sale conditions for the tax arrears properties that may be sold at the public auction:

- a) That a deposit of 10% of the purchase price be paid at the time of purchase, and
- b) That the balance of the purchase price be paid by September 18, 2020.

2. That Council approves the reserve bids shown on Attachment 1 for tax arrears property 111 Maskuta Drive that will be offered for sale at public auction on September 14, 2020.

And That Council sets the sale conditions for the tax arrears properties that may be sold at the public auction as amended below:

- a) That a deposit of __% of the purchase price be paid at the time of purchase, and
- b) That the balance of the purchase price be paid by September 18, 2020.

3. That Council requests further information be brought back to a Regular Meeting of Council.

Attachment(s)

1. Reserve Bid

Attachment 1

Reserve Bid for the 2020 Public Auctions of Tax Arrears Property

	Roll	Description	Plan	Block	Lot	Reserve Bid
1	4600200	111 Maskuta Drive	3425 MC	38	15	\$2,583,000