

# Policy

**POLICY TITLE: TAX RECOVERY RELATED TO LAND**

**POLICY NO.: ADM-12-30**

**RESOLUTION: 140-25**

**EFFECTIVE DATE: 2025-03-26**

**DEPARTMENT RESPONSIBLE: Administration/Finance**

**NEXT REVIEW DATE: 2028-03-26**

## **POLICY STATEMENT:**

The Council for the Municipal District of Lesser Slave River No. 124 shall promote the recovery of tax arrears related to land as legislated by the Municipal Government Act. Effective recovery of taxes will promote the equitable distribution of municipal revenues, supporting a sustainable service delivery across the Municipality.

## **DEFINITIONS:**

**Administration** means the administrative body of MDLSR, operating under the direction of the Chief Administrative Officer (CAO).

**Chief Administrative Officer (CAO)** means the Chief Administrative Officer of the Municipal District of Lesser Slave River No.124.

**Council** means the duly elected Council of the Municipal District of Lesser Slave River No. 124.

**Disposal** means the process by which municipal property is transferred, sold, leased, or otherwise divested from the municipality's ownership, in accordance with legal, financial, and policy guidelines.

**Market Value** means the amount that a property, as defined in section 284(1)(r) of the *Municipal Government Act*, might expected to realize if it is sold on the open market by a willing seller to a willing buyer.

**MDLSR** means the Municipal District of Lesser Slave River No. 124.

**MGA** means the Municipal Government Act, RSA 2000, c M-26, as amended.

**Property** means a parcel of land and the improvements on it.

**Remedial Costs** means all expenses incurred by the Government of Alberta to perform work under an environmental protection order or an enforcement order issued under the Environmental Protection and Enhancement Act.

**Tax** means a property tax, a community revitalization levy, a special tax, a clean energy improvement tax, a local improvement tax or a community aggregate payment levy.

**Tax Arrears** means taxes that remain unpaid after December 31 of the year in which they are imposed.

**Tax Forfeiture Title** means when the municipality registers its name on the title when a property goes unsold at a public auction. This allows the municipality to rent, license, lease, or dispose of the property in accordance with the provisions listed in the Municipal Government Act.

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**PRINCIPLE:**

1. **Statutory Compliance:** All land disposals shall adhere to the provisions of the MGA and relevant provincial and municipal regulations.
2. **Tax Recovery:** This policy aims to prioritize the recovery of unpaid property taxes, and to return properties to a taxable status.
3. **Fair and Transparent Process:** The disposal process shall be open and competitive to ensure equitable opportunities for all interested parties.
4. **Council Oversight and Accountability:** All land disposals shall be subject to Council approval, ensuring alignment with municipal strategic objectives and financial prudence.

**RESPONSIBILITIES:**

**5. Council**

- a. Establishes the terms and conditions of tax forfeiture property sales and agreements.
- b. Sets the reserve bid for public auctions.
- c. Sets any conditions which apply to public auctions.
- d. Decides the treatment of properties not sold at the public auction.
- e. Decides the treatment of tax forfeiture properties.
- f. Ensures that land disposals align with municipal planning, economic development, and financial strategies.

**6. Administration**

- a. Prepares the tax arrears list.
- b. Conducts land appraisals and market analyses to determine market value.
- c. Facilitates public notice, bidding, and legal processes related to land disposal.
- d. Presents the unsold tax recovery properties to council, listing relevant details of the property such as description, location, size, zoning, and any concerns associated with taking ownership of the property.
- e. Monitors the status of tax arrears, and their corresponding properties.



- f. Manages the designated accounts for proceeds from tax recovery properties.
- g. Ensures compliance with all applicable legislative requirements.

**TAX RECOVERY:**

7. The tax arrears list will be prepared prior to March 31<sup>st</sup> each year, containing the properties with tax arrears of more than one year.
8. Costs paid to the Land Titles Office related to the endorsement of tax notifications arising from tax arrears shall be added to the taxes owing of the respective property.
9. For each property on the tax arrears list, it will be offered for sale at a public auction unless its respective tax arrears are paid.
  - a. The public auction will be held in the period commencing March 31<sup>st</sup> in the year following the preparation of the associated tax arrears list and ending on March 31<sup>st</sup> of the following year.
  - b. The reserve bid for each auction shall be set at the market value of the property.
  - c. Properties will be sold on an “as is, where is” basis.
  - d. As per Section 429 of the MGA, the auctioneer, councillors, board appointments, chief administrative officer, designated officers and employees of the municipality must not bid for or buy, or act as an agent in buying, any property offered for sale.
10. If a property is not sold at public auction, administration shall present the property to council, who will decide on the treatment of the property. Treatment options include one of the following:
  - a. MDLSR will take ownership of the property per section 424 of the MGA, designating the property as tax forfeiture.
  - b. MDLSR will not take ownership of the property. Property which MDLSR has not taken ownership of due to this paragraph shall be annually presented to council as discussed above, unless the tax arrears of the property have been paid.
11. Prior to the property going to auction, the landowner may enter into an agreement with MDLSR to pay the tax arrears over a period not exceeding three years, per section 418(4) of the MGA.
12. Tax forfeiture property will be sold as per the Municipal-Owned Land Sales Policy, at a price as close as reasonably possible to market value.
  - a. Proceeds of the sale will be held in a separate account and will be paid out according to sections 427 and 428 of the MGA.
  - b. As per Section 429 of the MGA, the auctioneer, councillors, board appointments, chief administrative officer, designated officers and employees of the municipality must not bid for or buy, or act as an agent in buying, any property offered for sale.
13. As an alternative to the sale of the property, Council may choose to enter into a lease agreement with the property as a means of recovering tax arrears.



- a. Agreement revenues will be held in a separate account and will be paid out according to sections 427 and 428 of the MGA.
- 14. If the tax arrears of the property are paid after MDLSR takes ownership of the property but before it disposes of the property under section 425 of the MGA, the property shall be returned to the previous owner, as per section 426 of the MGA.
- 15. If 15 years have passed since the public auction of a property designated as a tax forfeiture, administration will request the Registrar to cancel the existing certificate of title and issue a new one in the name of the Municipal District of Lesser Slave River No. 124. At this point the property will be treated as per the Municipal-Owned Land Sales Policy.

“Original Signed”  
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Reeve

May 6, 2025  
\_\_\_\_\_  
Date

“Original Signed”  
\_\_\_\_\_  
Chief Administrative Officer

May 6, 2025  
\_\_\_\_\_  
Date

**RELATED DOCUMENTS:**

**SUPERSEDES: ADM-12-02**

**SPECIAL NOTES/CROSS-REFERENCE: N/A**

**AMENDMENT DATE: N/A**

