

TAX FORFEITED LAND POLICY

Subject: Tax Recovery

Ref: Taxation

Code: 14

Date Approved: April 12, 2022

Motion No: 153/12/04/22 Replaces: 1374/10/05/16

The County of Northern Lights believes in recovering costs related to tax
forfeiture properties
by offering tax forfeited lands for sale or lease
with a focus on recovering amounts owed.

The County of Northern Lights proposes to do this
by establishing guidelines on how tax forfeited lands shall be sold
or made available for taxation again.



Chief Elected Official

Chief Administrative Officer

PROCEDURE

It is hereby recognized that Part 10 Divisions 8 & 9 of the Municipal Government Act (MGA) legislate the County's obligations related to tax recovery. This Policy is intended to provide administration with a consistent process of applying these obligations where discretion is required.

The County will make available for sale by public auction, all properties eligible as described in Division 8 Part 10 of the MGA. Should a property remain unsold following the public auction the following will be considered.

For various reasons, the County may or may not want to take title (tax forfeiture) of a property. The decision to take title shall be made via council motion at the recommendation of the Director of Finance (or delegate). Consideration will be given to:

- i. Current condition of the property
- ii. Likely ability of the County to resell or lease the property
- iii. Potential Liability assumed and cost of remedial actions required

Should the County proceed with assuming title to a tax forfeiture property.

1. Vacant tax forfeited properties

- a) Should a real estate appraisal not have been performed prior to the annual tax sale, administration will make arrangements to have one performed. Preference will be given to local area appraisers to ensure the most accurate value.
- b) All property will be offered for sale by public tender annually in the month of May to ensure that all County residents are given an opportunity to bid on tax forfeited properties.
- c) Administration will ensure that the property is advertised for tender in the local newspapers. Council will consider all offers.
- d) Council shall accept the highest bid over the appraised value. In the event the County does not receive a bid over the appraised value, they may consider the highest offer. [Section 425(1)]. The balance is due 30 days from the date of acceptance of the offer.
- e) In the event of property not being sold, a lease may be considered.
- f) Tax forfeited properties that were previously leased may be leased at market rate as determined by administration. The former lessee of the property will be given preference to leasing the property. Leases will be reviewed on a yearly basis with a focus on selling the property.

2. Non-vacant tax forfeited properties

- a) Residents residing on tax forfeited properties will be offered a lease with the County at market rate as determined by administration.

- b) Lease payments will be applied against the tax arrears until such a time that the property taxes have been paid in full. Subsequent to this, lease revenues will be recorded as general revenue.
- c) In the event the resident does not pay the lease fees, the property shall be disposed of by Council resolution.
- d) In the event the resident does not wish to enter into a lease agreement, property shall be disposed of by Council resolution.