



City Council Report

March 10, 2026

Finance and Risk Management-2026-0003

2026 Public Auction Reserve Bids

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Summary

As part of the tax recovery process, City Council, in accordance with section 419 and 436.1 of the [Municipal Government Act](#) (MGA) (link 1), must set a reserve bid for each parcel of land and designated manufactured home (DMH) for public tax auction. Also, Council must establish the terms and conditions, set out in Attachment 1, that apply to sales. The reserve bids, detailed in Attachment 2, align as close as reasonably possible to the property's market value.

Recommendation(s)

That Council:

1. Establish the terms and conditions outlined in Attachment 1, and
2. Set the reserve bids for each parcel of land and designated manufactured home as detailed in Attachment 2, to offer for sale at the Public Tax Auction scheduled for Thursday, April 2, 2026, at 11:00 A.M. in the Culver City Meeting Room at City Hall.

Financial

The Public Tax Auction of parcels of land and DMH with a registered tax lien is an essential measure to secure the collection of all property levies, ensuring the City meets its budgeted revenues.

Background and Prior Decisions

Attachment 3 outlines the process, starting with the Tax Recovery in January 2025, marked by the registration of the tax notifications. Properties with registered tax notifications, are listed on the Tax Notification list in public view at the Assessment and Taxation counter.

Three-year history:

- **2023:** Reserve bids set for 16 properties and 5 DMHs; auction canceled due to levy collection and Tax Agreements.
- **2024:** Reserve bids set for 25 properties and 1 DMH; auction canceled due to levy collection and Tax Agreements/TAPP.

- **2025:** Reserve bids set for 21 properties and 3 DMH; auction canceled due to levy collection and Tax Agreements/TAPP.

2026 Auction: Scheduled for April 2, 2026, under MGA Sections 418 and 436.09.

25 properties with taxes from 2023–2025 and 6 DMHs from 2024–2025 included, ensuring timely collection of outstanding taxes before 2026 levies.

Engagement

Property owner engagement activities, both past and ongoing, utilize a variety of communication methods to ensure comprehensive outreach. Over the years, property owners have received multiple reminder notices, Tax Notification letters from both the City and the Land Titles Office, as well as phone calls, emails, and house visits. The resources available are detailed on the back of our Tax Notification letters (Attachment 4) and in the Tax Recovery Brochures (Attachments 5 and 6), which outline the Tax Recovery process.

Efforts are consistently made to contact property owners to prevent tax auctions by offering participation in the TAPP program or a Tax Agreement under section 418(4) of the MGA. Additionally, property owners may be referred to the [HEART program](#). This proactive and multifaceted approach is designed to ensure property owners are well-informed and have accessible options to address outstanding taxes.

Recommendation and Option(s) Analysis

Option 1: Approve Reserve Bids (Recommended).

- Ensures compliance with MGA, supports financial stability, and maintains transparency.

Option 2: Status Quo (Not Recommended)

- Risks financial shortfalls and non-compliance with MGA.

Key Points

Legislative Alignment:

- Reserve bids must reflect market value per MGA Sections 419 and 436.1.
- Purchasers acquire properties free of title (subject to MGA Sections 423 and 436.14).
- Unsold properties may be acquired by the City (MGA Sections 425 and 436.15).

Community/Citizen

- **Social:** Resources like tax recovery letters (Attachment 4) and support through the HEART program assist vulnerable property owners.
- **Economic:** Ensures overdue taxes are recovered to meet the City's Operating Budget.
- **Environmental:** No identified impacts.

Risk and Mitigation:

- **Compliance Risk:** Setting reserve bids below market value would violate MGA requirements.
- **Financial Risk:** Failing to hold the auction risks tax revenue shortfalls.
- **Mitigation:** Transparent communication with affected property owners and adherence to the established process minimize risks.

Implementation and Communication Plan:

- **Public Tax Auction:** Scheduled for April 2, 2026, at 11:00 A.M. in Culver.
- **Notices:** Advertised in Alberta Gazette (February) and Lethbridge Herald (March), with details posted on the City website (Attachments 1 for Terms and Conditions of Sale and Attachment 3 for Tax Sale Process and Timeline). Copies are sent to the property owners, mobile park owners, and interested parties on title.
- **Property Removal:** If full payment made or TAPP/Tax Agreement is signed before the auction. TAPP defaulter's ineligible for re-enrollment.
- **Auction Proceedings:** If auction proceeds, Council will be informed of the outcome. If canceled, signs will be posted on the City Hall doors until April 2, 2026, 11:00 A.M

Attachment(s)

1. Attachment 1: Terms and Conditions of Sale for the Public Tax Auction
2. Attachment 2: Tax Auction Reserve Bids List
3. Attachment 3: Tax Sale Process and Timeline
4. Attachment 4: Community Resources
5. Attachment 5: Tax Recovery Brochure for Parcels Related to Land
6. Attachment 6: Tax Recovery Brochure for Designated Manufactured Homes

Link(s)

1. Link 1: Municipal Government Act, RSA 2000, c M-26
2. Link 2: City of Lethbridge, HEART program