

Terms and Conditions of Sale for the Public Auction of Properties in Tax Arrears

The properties are being offered for sale on an “as is, where is” basis and the City of Lethbridge makes no representation and gives no warranty whatsoever as to the adequacy of services, soil conditions, zoning, building and development conditions, absence or presence of environmental contamination, vacant possession, or the developability of the lands for any intended use by the successful bidder.

Prior to closing, the successful bidder must prove, to the satisfaction of the municipality, that their acquisition of the property complies with the [Prohibition on the Purchase of Residential Property by Non-Canadians Act](#).

The successful bidder has a right to a clear title with some exceptions. Section 423(1)(a)-(h) of the [Municipal Government Act](#) states “a person who purchases a parcel of land at a public auction acquires the land free of all encumbrances, except (a) encumbrances arising from claims of the Crown in right of Canada, (b) irrigation of drainage debentures, (c) caveats referred to in section 39.2(11) of the [Condominium Property Act](#), (d) registered easements and instruments registered pursuant to section 69 of the [Land Titles Act](#), (e) right of entry orders as defined in the [Surface Rights Act](#) registered under the [Land Titles Act](#), (e.1) a caveat that, pursuant to section 3(1.2), 3.01(4) or 3.1(5) of the [New Home Buyer Protection Act](#), remains registered against the certificate of title to the land, (f) a notice of lien filed pursuant to section 38 of the [Rural Utilities Act](#), (g) a notice of lien filed pursuant to section 20 of the [Rural Electrification Loan Act](#), and (h) liens registered pursuant to section 21 of the [Rural Electrification Long-term Financing Act](#).”

Goods and Services Tax (GST) will apply to all applicable properties sold at the Public Auction.

The purchaser of the property will be responsible for property taxes for the current year.

The successful bidder must, at the time of the sale, make a **non-refundable** ten percent (10%) deposit payable to the municipality, with the balance of the purchase price due on the closing date.

Closing date for all sales will be fourteen (14) days after Auction Date.

No terms or conditions of the sale will be considered other than those specified by the municipality.

Payments by cash, Interac, certified cheque, or bank draft only. Vendor financing or financing using third party mortgages or encumbrances upon the purchased lands, or other similar financing arrangements, cannot be accommodated.

Section 429 and 436.21 of the [Municipal Government Act](#) states the auctioneer, councilors, the chief administrative officer, the designated officers, and employees of the municipality must not bid or buy any parcel of land offered for sale, unless directed by the municipality to bid for or buy a parcel of land on behalf of the municipality.

If no offer is received on a property or if the reserve bid is not met, the property cannot be sold at the public auction.

Once the property is declared sold to another individual at public auction the previous owner has no further right to pay the tax arrears.

The risk of the property lies with the purchaser immediately following the auction.

The purchaser will be required to execute a Sale Agreement in form and substance provided by the municipality.

The purchaser is responsible for obtaining vacant possession.

The purchaser will be responsible for all Land Titles fees for the property.

The City of Lethbridge may, after the public auction, become the owner of any parcel of land not sold at the public auction.

A property will be removed from the Public Auction if payment of all arrears of taxes and costs occurs any time prior to the sale.