



CITY OF YELLOWKNIFE

GOVERNANCE AND PRIORITIES COMMITTEE REPORT

Monday, February 6, 2023 at 12:05 p.m.

Report of a meeting held on Monday, February 6, 2023 at 12:05 p.m. in the City Hall Council Chamber.
The following Committee members were in attendance:

Chair: Mayor R. Alty,
Councillor S. Arden-Smith,
Councillor G. Cochrane,
Councillor R. Fequet,
Councillor B. Hendriksen,
Councillor C. McGurk, (12:06 p.m.)
Councillor S. Payne, and
Councillor R. Warburton.

The following members of Administration staff were in attendance:

S. Bassi-Kellett,
C. Caljouw,
C. Greencorn,
C. MacLean,
K. Sulzer,
C. White,
G. White,
S. Woodward, and
S. Jovic.

<u>Item</u>	<u>Description</u>
1.	(For Information Only) Mayor Alty read the Opening Statement.
2.	(For Information Only) Councillor Warburton declared a conflict of interest with Item No. 4 on the agenda, a memorandum regarding whether to dispose of Lot 1086, Quad 85 J/8, Plan 2547 (181 Kam Lake Road) to Aurora Tracking Station Inc., as he is involved in this project and left the meeting at 12:08 p.m.



(For Information Only)

3. Committee deferred a memorandum regarding whether to dispose of Lot 1086, Quad 85 J/8, Plan 2547 (181 Kam Lake Road) to Aurora Tracking Station Inc. (the Lessee) to the next Governance and Priorities Committee meeting.

Committee requested that the proponent be notified when the matter comes before Council and given an opportunity to provide additional information and share future plans.

(For Information Only)

4. Councillor Warburton returned to the meeting at 12:11 p.m.
5. **Committee read a memorandum regarding whether to select properties to auction for tax arrears, when to hold the auction, and what minimum price to establish for each property.**

Committee noted that the *Property Assessment and Taxation Act (PATA)* states that properties on the Tax Arrears List may be offered for sale at a public auction, and that the auction date and minimum sale prices must be set by Council.

Council Motions #0091-00, #0039-02, and #0161-02 established the City's Tax Auction policy, which further stipulates that the City will sell property at public auction when taxes are two years in arrears and if auctioning maximizes the amount of taxes the City is able to collect, and that the City will bid the minimum price on property offered at a tax auction if the property remains unsold after a previous auction.

When property taxes are in arrears, the assessed owners of these properties are notified of the balance of taxes owing on the Interim Tax Notices sent each January, the Final Tax Notices sent each June, and Statements of Account sent throughout the year.

Based on the *PATA* provisions and City policy, properties with tax arrears for the 2021 taxation year are now subject to auction.

The City followed the notification procedures specified in *PATA* to ensure assessed owners of these properties are advised of the arrears status and tax sale provisions by:

- Posting the 2021 tax arrears list at City Hall on March 31, 2022;
- Sending a registered letter notifying the assessed owner(s) of the arrears and tax sale provisions on April 28, 2022;
- Posting the tax arrears list at City Hall, Yellowknife Community Arena, Multiplex, Fieldhouse and Pool on May 31, 2022;
- Publishing the tax arrears list in the *Yellowknifer* on July 22, 2022; and
- Notifying parties with an interest registered against the property on July 27, 2022.



Assessed owners who remained in arrears were offered installment payment plans on April 28, 2022 and reminded of the offer on subsequent notices. If they did not enter into a payment plan, the property was added to the Tax Auction List in Appendix A.

A property can be removed from the Tax Auction List if the City receives payment of the property tax arrears and related expenses or if the assessed owner enters into a payment plan with the City before the public auction.

Committee noted that Council's policies, resolutions or goals include:

On March 27, 2000, Council adopted the following policy:

Motion #0091-00 That the City sell property at public auction, in accordance with the *Property Assessment and Taxation Act*, when taxes are two years in arrears.

On January 28, 2002, Council adopted the following policy:

Motion #0039-02 That the City bid the minimum price on property offered at a tax auction if the property remained unsold after a previous auction.

On April 8, 2002, Council amended the above policy to state:

Motion #0161-02 That the City sells property at the public auction, in accordance with the *Property Assessment and Taxation Act*, when the taxes are two years in arrears and if auctioning of the property maximizes the amount of taxes the City is able to collect.

Committee noted that applicable legislation, by-laws, studies or plans include:

1. *Property Assessment and Taxation Act*, R.S.N.W.T. 1988, cP-10; and
2. *Cities, Towns, and Villages Act*, S.N.W.T. 2003, c22.

Legislative

The *Property Assessment and Taxation Act* prescribes the tax auction process, including notification, conduct of the auction, and transfer of the property. The City has followed the notice requirements and the City's solicitor conducts the auction and property transfers.

Council decides, by resolution, which properties, if any, it wishes to offer for sale at public auction. Council sets, by resolution, the date of the auction and the minimum sale price of each property.

Procedural Considerations

It is Council policy to sell property at public auction, in accordance with the *Property Assessment and Taxation Act*, when the taxes are two years in arrears. Taxpayers with arrears less than \$100 have not been included.

Under section 97.3(3) and (4) of the *Property Assessment and Taxation Act*, after entering into an installment payment agreement, the City is authorized to proceed with the sale of the taxable property if the assessed owner fails to comply with the terms of the agreement.



As part of the tax auction process, the taxpayer can redeem the property within 30 days of the auction by paying the tax arrears.

The City may bid on and purchase a property that is offered for sale so long as the purchase falls within the circumstances that the City is able to acquire property under the *Cities, Towns and Villages Act*. No municipal council member, officer or employee may purchase, on his or her own behalf, any taxable property offered for sale, unless the Minister of Finance has given prior approval.

Committee noted that the City adheres strictly to *PATA* provisions in respect to all taxation practices, including the tax arrears collection process. This helps minimize tax arrears, reduces the City's provision for bad debts, and works towards ensuring the tax burden is borne as equitably as possible.

The recommendation follows the same principles as applied in previous years: when taxpayers know the exact conditions under which a tax auction will be held, property taxes are more likely to be paid and/or arrears payment plans to be signed before the tax auction process starts. This is evident in the numbers from the last five years:

<i>Tax Year</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2021</i>	<i>2022</i>
# of Properties on the Initial Tax Auction List	16	13	28	37	16
# of Properties on the Tax Auction List on the Auction Date	2	2	5	10	2
# of Properties Auctioned and Sold	0	0	1	7	1

There was no tax auction in 2020.

Committee recommends that, in accordance with the *Property Assessment and Taxation Act*, Council direct Administration to auction the properties listed in Appendix A at City Hall at 9:00 a.m. (MST) on Friday, June 9, 2023, and to set the minimum price for each property at 50% of the assessed value listed for that property.



Appendix A

Tax Auction List

Municipal Address	Legal Description			2021 Total Arrears	2023 Assessed Value	Minimum Auction Price
	Lot	Block	Plan			
224 BORDEN DR	78	558	3668	\$335.73	\$157,870	\$78,935
4919 51 ST	15	24	65	\$615.40	\$381,290	\$190,645
3 SPENCE RD	8	550	4692	\$988.24	\$103,630	\$51,815
2 BUTLER RD	21	557	2073	\$1,714.91	\$370,060	\$185,030
60 BROMLEY DR	31	507	1080	\$1,767.62	\$301,240	\$150,620
205 BORDEN DR	7	555	2133	\$1,919.75	\$361,360	\$180,680
5504 50A AVE	16	105	483	\$2,028.88	\$293,770	\$146,885
542 CATALINA DR	UNIT 100		4729	\$3,195.17	\$418,520	\$209,260
3 LAROCQUE CRES	4	566	3735	\$4,408.93	\$269,020	\$134,510
558 CATALINA DR	UNIT 92		4729	\$4,461.14	\$179,490	\$89,745
496 RANGE LAKE RD #12	UNIT 8		2089	\$4,592.47	\$405,900	\$202,950
53 HORTON CRES	26	542	1420	\$5,017.31	\$248,370	\$124,185
104 TALTHEILEI DR	7	537	2094	\$5,563.12	\$581,860	\$290,930
106 TALTHEILEI DR	6	537	2094	\$5,668.41	\$749,090	\$374,545
639 ANSON DR	UNIT 20		4729	\$8,857.28	\$132,440	\$66,220
163 ENTERPRISE DR	12	536	2094	\$12,138.52	\$863,010	\$431,505
132 CURRY DR #B	21	503	1578	\$12,652.29	\$551,280	\$275,640

MOVE APPROVAL

(For Information Only)

6. Councillor Cochrane moved,
Councillor McGurk seconded,

That Committee move in camera at 12:14 p.m. to discuss a personnel matter.

MOTION CARRIED UNANIMOUSLY

(For Information Only)

7. Committee discussed a personnel matter.



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- (For Information Only)
8. Councillor Fequet moved,
Councillor Arden-Smith seconded,

That Committee return to an open meeting at 1:28 p.m.

MOTION CARRIED UNANIMOUSLY

- (For Information Only)
9. There was no business arising from the in camera session.
10. The meeting adjourned at 1:28 p.m.