

**Section: 2.0 General Government and Administrative Services**  
**- A. Governance**

**Authority: Council**

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### **Statement**

The Municipal District of Bonnyville (M.D.) shall have a policy regarding the sale or lease of municipal lands not required for municipal purposes.

### **Purpose**

To ensure that properties not required for municipal purposes are sold or leased in a manner that is consistent, fair and provides a reasonable return for the lands.

### **Definitions**

For the purposes of this policy:

- (1) "Tax Forfeiture Lands" means lands held in the M.D.'s name under Tax Forfeiture Title that are not required for municipal purposes.
- (2) "Other Lands" means lands other than Tax Forfeiture title lands owned by the M.D. that are not required for municipal purposes. This will include land acquired via Section 428.2 of the Municipal Government Act (clear title acquired 15 years after public auction).
- (3) "Tax Forfeiture Title Lands" means lands that have gone to public auction for tax arrears but were not sold at the public auction.

### **Policy**

(1) Tax Forfeiture Title Lands

The M.D. may acquire Tax Forfeiture title to these parcels unless there is:

- (a) an occupied residence on the parcel;
- (b) a caveat on the title that will have prior claim to the municipality's claim of the parcel;
- (c) an environmental or other liability, problem or concern in regard to the property.

Tax Forfeiture title may be taken on the parcels listed in "Policy" section part 1-a, b, or c of this policy, if Council so directs by resolution or bylaw.

Tax Forfeiture Title lands will be leased or sold subject to the requirements of the Municipal Government Act and this policy.

(2) Other Lands

The M.D. will lease or sell these lands subject to the requirements of the Municipal Government Act and this policy.

(3) Leasing Lands

Lands subject to this policy may be leased as follows:

- (a) By public tender that shall be advertised at least twice in at least the local newspapers in Bonnyville, Cold Lake and St. Paul. The first advertisement shall be at least one (1) month prior to the public tender date and the second advertisement shall be at least one (1) week prior to the public tender date.
- (b) For a term no longer than three (3) years. The term may be extended for one (1) or more terms, but each term will not exceed three (3) years.
- (c) All leases shall expire on December 31<sup>st</sup> of the same year.
- (d) Subject to conditions set by Council.

(4) Sale of Lands

All lands subject to this policy that are not leased, or proposed for lease, shall be sold by Public Auction that shall be advertised at least twice in at least the local newspapers in Bonnyville, Cold Lake, and St. Paul. The first advertisement shall be at least one month prior to the public auction date and the second advertisement shall be at least one (1) week prior to the public auction date. The advertisement will include the reserve bid for each parcel. Public Auction will be held at least once each year if there are lands available for sale under this policy. Administration shall prepare a list of lands available for sale and only those lands approved for sale by Council will go to Public Auction.

- (a) Each parcel shall be subject to a reserve bid equal to:
  - (i) 90% of the estimated market value, approved by Council, for parcels held by the municipality under Tax Forfeiture Title;
  - (ii) 80% of the estimated market value, approved by Council, for other lands.
- (b) The conditions of the sale shall be:
  - (i) all properties to be sold 'as is';
  - (ii) appropriate provincial and federal taxes to be added to the purchase price;
  - (iii) a deposit of 10% of the successful bid payable in cash, certified cheque, bank draft or money order, shall be received by the municipality by 4:30 p.m. on the day of the sale;
  - (iv) the balance of the bid price shall be paid to the municipality within 14 days following the date of the public auction;
  - (v) the M.D. shall be responsible for preparing the necessary transfer documents;
  - (vi) the municipality, in the case of Tax Forfeiture title lands, will be responsible for paying the costs of transferring title to the Purchaser;
  - (vii) the Purchaser, in the case of other lands, will be responsible for paying the title transfer costs;
  - (viii) all taxes, rents, insurance and interest shall be adjusted as of 12 o'clock noon on the 30th day after the public auction;
  - (ix) possession shall be given as of 12 o'clock noon on the 30th day after the public auction; and
  - (x) all sales are subject to any caveats, reservations and/or exceptions appearing on the certificate of title.

- (c) Should the M.D. require that any caveat, reservations and/or exception be withdrawn as a condition of sale, the cost of withdrawing the caveat, reservation and/or exception will be borne by the municipality.
  - (d) All sales are subject to the approval of Council.
- (5) Sale of Lease Lands  
If a parcel that is currently leased or was leased in the previous year is to be sold upon expiration or termination of the lease, Council may sell the parcel in the same manner as unleased lands or by one of the following:
- (a) Offering the parcel to the tenant for an amount equivalent to the reserve bid calculated in section 4(a) of this policy.
  - (b) Public auction with the tenant having the option to purchase the parcel for the final bid price. The tenant must exercise this option immediately upon the parcel being declared sold. The auctioneer shall, upon declaring the parcel sold, ask if the tenant wishes to exercise this option.
- (6) Exceptions  
The M.D. may exempt lands from Sale by Public Auction and/or Lease by Tender in the following circumstances:
- (a) If a parcel has limited or no physical or legal access, Council may sell or lease the parcel to an adjacent property owner or lessor.
  - (b) If the use or development of a parcel is severely restricted so as to make the parcel of little or no value to anyone except an adjacent landowner, Council may sell, subject to consolidation to an adjacent parcel, or lease the parcel to an adjacent landowner or lessor.
  - (c) If a parcel may be used for the benefit of a community, charitable or benevolent purpose, Council may sell or lease the parcel to a not-for-profit entity for such purpose.

The sale or lease of these lands will be subject to the requirements of the Municipal Government Act and any other applicable laws of Alberta.

## Review Period

Within five (5) years from date adopted / amended / reviewed.

## For administrative use only:

<b>Previous Policy Number:</b> (prior to July 24, 2019)	10.12.30
<b>Related Documentation:</b> (plans, bylaws, policies, procedures, etc.)	