

SECTION: GENERAL ADMINISTRATION

SUBJECT: SALE OF TAX RECOVERY
LEASE LANDS

Original Resolution No.: 06-06-31

Sale of Tax Recovery Lease Lands

It is the policy of the County of Warner No. 5 to dispose of Tax Recovery Lands which are currently, or have been administered by the Province of Alberta on behalf of the County of Warner.

Guidelines

The disposition process for those current lease holders who wish to obtain title to the land prior to the expiry of the lease, the disposition and value of the land will be determined as follows:

1. The current lease holder will make application to purchase the lease land by way of a written request to County Council.
2. Prior to June 30, 2006 and if Council approves the request, Council will determine the value of the tax recovery lands. (Currently, the land value or purchase price is calculated at three and a half (3.5) times the assessed value. The multiplier (3.5) will be determined on an annual basis, or when interest is expressed by the current lease holder, in order that a fair market value of the lands is reflected.)
3. After June 30, 2006, Administration will obtain a real estate estimate of value for any tax recovery lands requested to be purchased. After receiving the real estate estimate of value or appraisal, County Council will establish a reasonable sale price for the lands by taking this information into consideration. The County Assessor may also be asked for his advice as to what the current value of the property might be.
4. Proceeds from the disposition of the property will be invested in a separate trust fund and the interest will be used in the general revenue to offset increases in municipal taxation.
5. Land exchanges (tax recovery for public lands) are agreeable but the arrangements will have to be made between the leaseholder and the province and will be approved by the County on condition similar compensation is received by the County and the County incurs no cost for the land exchange.

The disposition process available to those leaseholders who hold the tax recovery lease land to the end of the lease expiry date and do not make application to purchase prior to the expiry date, is as follows:

6. The tax recovery properties should be publicly advertised for sale for a minimum of two weeks.
7. After June 30, 2006, and prior to the deadline to receive bids, Administration will obtain a real estate estimate of value or appraisal for any tax recovery lands being considered for sale. After receiving the real estate estimate of value or appraisal, County Council may use this information to assist in establishing a reasonable sale price for the lands by taking this information into consideration. The County Assessor may be asked for his advice as to the current value of the property.

8. The deadline to receive bids on the property will be stated within the advertisement and will be no less than two (2) weeks after the last advertisement date.
9. Bids should be accompanied with a certified check in the amount of 10% of the bid price.
10. The current lease holder should be given right of first refusal to match the highest offer.
11. The highest bid will not necessarily be accepted. The County has the right to refuse any bid that is deemed not to be in the best interest of the County.
12. Bids will be awarded on a cash basis only. The County will not finance the property.
13. Leasehold improvements of fences, dams dugouts and re-seeded lands remain and will be sold with the property and no compensation will be available to the leaseholder. Other leasehold improvements such as buildings and structures can be removed at the discretion of the current lessee.
14. The possession date shall be determined by Council. However, due to the lengthy time lines in obtaining title from the Province of Alberta, time extensions may be required.
15. Proceeds from the disposition of the property will be invested in a separate trust fund and the interest will be used in the general revenue to offset increases in municipal taxation.
16. Land exchanges (tax recovery for public lands) is agreeable but the arrangements will have to be made between the leaseholder and the province and will be approved by the County on condition similar compensation is received by the County and the County incurs no cost for the land exchange.