

## TAXATION OF LAND VALUES IN ALBERTA

### The Working of the Tax Recovery Act

In our October issue we commented on an article in the LAND UNION JOURNAL of August, which tried to put up a case in defence of the speculators in Alberta who had been obliged to pay the taxes levied on the value of their land. The LAND UNION JOURNAL spoke of a "colossal act of confiscation" by which 43,280 parcels of farm land (reckoned at 6,924,800 acres), 363,986 parcels of land in towns and villages and 14,751 parcels of land in the cities were passing in 1923 into the ownership of the municipalities and the province. We pointed out that the statement was inexact. The fact was that the taxes due in respect of these lands were in arrear and according to law the lands were gazetted for forfeiture *if the taxes were not paid before a given date*. The Land Union took no notice of this important condition and has since given wide publicity in the Press to the misstatement that "In Canada immense areas of land, both agricultural and urban, have been forfeited to the municipalities, the burden of land value taxation being so great that the owners who purchased the land could not pay it, and now the municipalities have unsaleable land on their hands while other ratepayers have to find the money they require." The facts were that the holders of the land were simply told they had to pay the taxes duly assessed and levied. They were in default and it was very much in the interest of the other ratepayers that they should be obliged to pay. The alternative is to allow the land to remain out of use, to exempt the speculator who is preventing cultivation and development and throw the whole burden on the "other ratepayers" who have made improvements.

That may be the policy of the Land Union, but fortunately the Alberta Government think otherwise. To get first-hand information, we sent a copy of the LAND UNION JOURNAL of August to Mr. J. H. Lamb, Deputy Minister of the Department for Municipal Affairs in Alberta, who has written us under date 25th September, 1924, as follows:—

#### LETTER FROM THE ALBERTA DEPARTMENT OF MUNICIPAL AFFAIRS

"In order that you may understand the matter the better, I am sending you a copy of the Tax Recovery Act under which the caveats were filed against the 43,280 parcels of land in the Province of Alberta. The editorial in question places no emphasis on the fact that the filing of the caveat was only the first step as required by the Tax Recovery Act in order to establish the right of further procedure under the provisions of the Act. After the filing of the caveat in question a year was given in which the parties in question might pay their arrears of taxes and have the caveat removed. At the end of that period there were comparatively few of the 43,280 parcels of land on which the taxes were not paid and from which the caveats were removed. Consequently, the editorial is one 'big scare' and does not have foundation in fact.

"You will further note by the Act that even after the municipality, in which the land may be situated, has taken title to the property, they must advertise it for sale within twelve months after receiving title and it is safe to say that very few municipalities have offered any land for sale until towards the close of that period. Until the land is sold the owner thereof has the right of redemption and if the land be offered for sale at public auction and should not sell, the owner of the land still has the right of redemption

until one year after the date of the advertisement of the public auction.

"This is a comparatively new Province, having been established in 1905. During the years since its establishment there has been an influx of settlers many of them coming with the idea that they could obtain free land and have no expense connected therewith of any sort or kind. It is quite apparent in order to maintain the country, establish roads for the new settlers and create other needed improvements, that taxes must be levied. Many of these men refuse to pay the taxes. It has been a difficult thing to educate the people of the Province up to the point where they would realize that taxes must be paid promptly."

#### ANOTHER LETTER

One of our correspondents in Bradford, Mr. R. Musgrave, inquired into the Land Union's statements by referring them to Mr. Alan C. Thompson, Treasurer of the Ontario Single Tax Association, who had the following letter from the Deputy Minister of Municipal Affairs in Alberta, Mr. J. H. Lamb, under date 7th October, 1924:—

"As to the 43,280 parcels of land, I may say that they were not offered for sale. All in the world that was done was to place a caveat against the land and advertise the fact in the ALBERTA GAZETTE, with a statement to the effect that the land must be redeemed within one year after the filing of the caveat or the municipalities in question would proceed to take title to the property. The fact is that before the year expired the taxes had been paid on by far the major portion of the 43,280 parcels of land and as far as my information goes the lands against which the caveat was not removed, were lands which had been practically abandoned by the owners thereof.

"The Province of Alberta is endeavouring to instill within the minds of the residents thereof the necessity for paying taxes. Many of the settlers have come to the Province under the guidance of interested parties with an idea instilled in their minds that there were no taxes to pay, consequently we have had difficulty in collecting.

"The Tax Recovery Act, a copy of which I am sending you, gives a very fair chance to any party to pay up before losing his land. You will note that no action is taken until taxes are in arrears. A caveat is then filed within ninety days after the 14th day of August in the year in which the taxes are first in arrears. The party has one year from the date of the filing of that caveat to pay up the arrears of taxes and have the caveat removed. In case he does not do so, the municipality has the right to proceed to take title to the land and even then the Act provides that the municipality shall within eighteen months after they obtain the title, offer the property for sale. That is to say, where any owner of land is endeavouring to make good, the municipality has the power to exercise very great forbearance. I am quite sure that the advertising which the Province got through a mistaken idea of the whole thing, has resulted somewhat unfavourably.

"The land to which you refer in the urban municipalities was not offered for sale, but the caveat was filed against it under the same Act as in the case of farm lands and without question if lots were of any value the owners redeemed them. However, in the case of these urban municipalities, they are in the unfortunate position of having vast areas of land subdivided by speculators in the time of a boom, said speculators having abandoned the whole project, leaving the municipality to take the land in lieu of taxes."