

Topic: Property Fraud Prevention

Introduction

During the Governance and Priorities Committee meeting held on February 7, 2023, a motion was made requesting that Administration complete a review of Parkland County's procedures and practices to ensure that we are supporting valid transactions regarding property management and property changes by having proper identification on record and report back to the Governance and Priorities Committee in the fall of 2023. Administration is presenting a report on how our processes and procedures prevent property fraud.

Background Information

Parkland County provides services to its property owners through multiple different methods. Included in these services are transactions relating to the development and subdivision of property, transfer or sale of property, and the assessment and collection of property taxes. In addition, Parkland County is a source of information for many property owners. During each transaction, County staff are responsible for verifying the identity of the property owner to ensure the authorized person is conducting the transaction. Depending on the type or nature of the transaction, the method of verification varies, and includes such items as requesting government issued identification, affidavits, signatures, seals, and landowner authorization forms. In order to prevent property fraud, County staff must continue to be diligent in their interactions with property owners.

Analysis

Land Management

There are two land registry systems in use through North American, Torrens and the Registry systems. Alberta Land Titles uses the Torrens System which ensures that a government body has custody of all original land titles, registered documents and attaches these registrations to the applicable land title, creating a "true title" that is guaranteed by the Alberta Land Titles office. Documents submitted to Alberta Land Titles are examined by Parkland County staff to ensure the documents and back-up information meets registration requirements. To facilitate this, County staff require witness affidavits or seals on all documents to be registered on title, including development agreements, caveats, and restrictive covenants.

The Land Titles Act of Alberta also includes processes for cancelling a registration, if done through error or no longer required. This process allows for a registration made through fraudulent means to be reversed. In addition, under the Torrens System, Alberta Land Titles must have an insurance fund in place for any person who suffers from a mistake on the title. As above, the Torrens System guarantees the accuracy of every title.

The Torrens System has been used in Alberta since 1887 as well as most western Canadian provinces and territories. It is more recently being adopted by provinces in eastern Canada as well as portions of the southeast United States. This system is preferred over the Deed registration system that relies on Deed Documents to show ownership, with interests registered separately and not referenced on the Deed. Due to the disconnect between the Deed and the interests, fraud and errors are much more prevalent under the Deed registration system than the Torrens system.

Applications

With all planning and development applications, including subdivision and development permits, if the applicant is not the property owner, Administration requires a landowner authorization form to be filled out and signed by the property owner. Applications are not accepted without this. In addition, corporate seals or affidavits are required for all development agreements, caveats and restrictive covenants that are registered as part of subdivisions, with affidavits being signed by witnesses and a commissioner for oaths. Several Parkland County staff have their Commissioner for Oaths. The endorsement process follows the requirements of Alberta Land Titles, as described above.

Finance and Assessment Related Information

Regarding inquiries about property taxes, identification for proof of ownership is required before any information is shared. If an inquiry is received by phone call, their identity is verified by having the person answer specific questions related to their account(s) on file. If the property owner has a representative acting on their behalf, they must provide legal documentation to support this, such as power of attorney, estate executor, and lawyers with written verification of consent.

Legislative Services

All Council and Committee meetings are open to the public. As such, anyone that has received a meeting link can join the meeting. Individuals are not required to identify themselves unless they are wishing to speak at public input. For the portion of a meeting held in closed session we ensure that individuals receive a specific link to use to attend the closed session. Internally, Administration can see who has received the link and confirm their identity prior to the closed session portion of the meeting.

Subdivision and Development Appeal Board (SDAB) appeal hearings are also open to the public. The SDAB can only hear appeals filed by those who have the legal right, or “standing”, to appeal. The SDAB Clerk verifies the personal information provided by those claiming that they have a right or “standing” to appeal and provides this information to the SDAB. The SDAB may have to determine if a person has sufficient right or interest in a proposed development to be “affected” to have “standing”. The responsibility for this determination lies with the SDAB.

Conclusion/Summary

In conclusion, property fraud is a form of identity theft and a concern for many. Overall, property fraud is under the jurisdiction of other levels of government; however continued diligence is needed by all staff in Administration to ensure we mitigate any risks to property owners where transactions are taking place with the property owner or their official representative. Administration commits to regularly reviewing processes to ensure all steps are being taken to prevent fraud.

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