



TAX ARREARS PAYMENT PLAN

Purpose:

The purpose of this policy is to establish a clear procedure for effective and efficient collection of tax arrears through a Property Tax Arrears Payment Plan Agreement.

Policy Statement:

To establish a Property Tax Arrears Payment Plan Agreement, whereas the Land Owner owes the Town of Vauxhall arrears for unpaid property taxes, and the Town of Vauxhall has the legal right to recover the Tax Arrears owed, by way of tax recovery proceeding implemented under the *Municipal Government Act* R.S.A 2000 Chapter M-26.

Scope/Application:

- a) **Section 412(1)(a)(b)** A Municipality must annually, not later than March 31, prepare a tax arrears list showing the parcels of land in the municipality in respect of which there are tax arrears for more than one (1) year, send two (2) copies of the tax arrears list to the Registrar.
- b) **Section 412(3)** The Municipality must notify the persons who are liable to pay the tax arrears that a tax arrears list has been prepared and sent to the Registrar.
- c) **Section 414** When a tax recovery notification has been endorsed on a certificate of title for a parcel of land, the person who is liable to pay taxes must not remove from the parcel, unless the municipality at whose request the notification was endorsed on the certificate of title consents, any improvements for which that person is also liable to pay the taxes.
- d) **Section 415(1)(2)(3)** After a tax recovery notification has been endorsed on the certificate of title for a parcel of land, any person may pay the tax arrears in respect of the parcel. On payment of the tax arrears under subsection (1), the Municipality must ask the Registrar to remove the tax recovery notification. Subject to section 423(3), a person may exercise the right under subsection (1) at any time before the municipality disposes of the parcel in accordance with section 425.
- e) **Section 416(1)** After a tax recovery notification has been endorsed on the certificate of title for a parcel of land, the municipality may send a notice to any person who holds the parcel under a lease from the owner, requiring that person to pay the rent as it becomes due to the Municipality until the tax arrears have been paid.

- f) **Section 417(1)(a)(b)(c)** Not later than the August 1 following receipt of a copy of the tax arrears list, the Registrar must, in respect of each parcel of land shown on the tax arrears list, send a notice to, the owner of the parcel of land, any person who has an interest in the parcel that is evidenced by a caveat registered by the Registrar, and each encumbrance shown on the certificate of title for the parcel.
- g) **Section 417(2)(a)(b)** The notice must state that if the tax arrears in respect of the parcel of land are not paid before March 31 in the next year, the Municipality will offer the parcel for sale at a public auction, and that the Municipality may become the owner of the parcel after the public auction if the parcel is not sold at the public auction.
- h) **Section 418(4)(a)(b)** The Municipality may enter into an agreement with the owner of a parcel of land shown on its tax arrears list providing for the payment of the tax arrears over a period not exceeding three (3) years, and subsection (1) until, the agreement has expired, or the owner of the parcel breaches the agreement, whichever occurs first.
- i) The required payment amounts will be determined by the Town and will include past property tax arrears, any applicable penalties and estimated current/ongoing property taxes.
- j) The Property Tax Arrears Payment Plan will commence on the start date as stated on the Agreement, and will continue on a monthly basis for the term of the Agreement.
- k) The Town will recalculate the monthly payments annually to reflect any changes in assessment value or property tax rates.
- l) The Land Owner can make additional payments or a lump sum payment on their account at any time.
- m) In the event that the Land Owner is in default of the Tax Arrears Payment Agreement, the Town may terminate the agreement immediately without further notice to the Land Owner and may proceed with tax recovery proceedings.

Responsibility:

It will be the responsibility of the administration office to receive agreement requests and to notify applicants of final decision per policy guidelines.