

1.0 Statement

Under the Municipal Government Act 1998, c. 18, s.134(5), council may adopt a policy permitting tax arrears payment arrangements.

1.1 It is the intention of council to adopt a policy to enable the CAO to make tax arrears payment arrangements with property owners.

2.0 Policy

2.01 Where the owner of a property approaches the Town of Yarmouth and requests to enter in a tax arrears payment arrangement for the property, the Town of Yarmouth may enter into such an agreement, as outlined below.

2.02 Where the property has been identified as eligible for the current fiscal year tax sale proceedings, the Tax Collector may contact property owners to enter into such an agreement.

2.03 The Treasurer shall determine the total of all tax amounts (property, business occupancy, area rates, special rates, etc) owing to the Town of Yarmouth related to the property, and all shall be included in the tax arrears payment arrangement.

2.04 A tax arrears payment arrangement may include multiple properties. A default on the agreement related to one property will be deemed to be a default on all properties within the agreement.

2.05 Any tax arrears payment arrangement does not affect the amount of interest owing or the rate at which interest is calculated on outstanding balances.

2.06 A tax arrears arrangement is valid for one year from the date of signing.

2.07 To calculate the Monthly Payment under the tax arrears payment arrangement for a property, the following formula shall be utilized:

- a. Monthly Tax Arrears: one and a half times the current annual taxes, divided by 12.
- b. Monthly Interest: Total outstanding balance multiplied by current interest rate, divided by 12.
- c. Monthly Payment = Monthly Tax Arrears + Monthly Interest

2.08 At the date of signing, the taxpayer may choose to schedule payments to allow for seasonal fluctuation in income. Up to 4 payments may be reduced to as low as 50% of the Monthly Payment, with corresponding increases in up to 8 other payments, such that the annual sum of

all payments is 12 times the Monthly Payment as calculated in clause 7. No payment may exceed 150% of the Monthly Payment.

- 2.09** Monthly Payments are due by the close of business on the last business day of the month.
- 2.10** Any Monthly Payments not received by the dates specified in the agreement, on the first instance, shall be deemed to be a default on the agreement. The tax arrangement is in effect for a one-year period, regardless of tax year owing.
- 2.11** If a tax arrears payment arrangement is in default, the Town of Yarmouth shall immediately proceed to tax sale.
- 2.12** Under no circumstances will an amendment or renegotiation of a tax arrears payment arrangement be considered if a current agreement exists, whether or not the agreement is in default.
- 2.13** Notwithstanding section 2.12, if the cost of any work performed by the Town is added to the property tax account pursuant to Section 507 of the Municipal Government Act, the Town shall immediately recalculate the monthly payment to reflect this added cost.
- 2.14** While a tax arrears payment arrangement is in force on a property, the property owner, may not apply for permission for:
 - a. Subdivision to make the property smaller; or
 - b. Demolish building in whole or part.
- 2.15** No repayment shall be made from the Town under policies that may provide repayment of taxes where destruction has occurred (Section 69A of the MGA). Further, no refund will be made to the owner for any reductions in taxes owing as result of an appeal on assessment. Such amounts will be credited to the tax arrears payment arrangement.
- 2.16** Proof of insurance must be provided to the Town of Yarmouth every six months.
- 2.17** For property owners with a tax arrears payment arrangement which is not in default, at the date of council adoption of this policy, the tax arrears payment arrangements may be cancelled and new one-year agreements signed pursuant to this policy.

Clerk's Annotation for Official Policy Book

Date of Adoption: July 12th, 2012

Date of Approval of Amended Policy: April 8th, 2021 (Added section 2.13)

I certify that this 'Tax Arrears Payment Arrangement Policy' was adopted by Council as indicated above.

Town Clerk:

Date: