

**Preamble:** The Town of Mahone Bay wishes to ensure taxes, rates, fees and miscellaneous billings are collected in a timely manner

1. Whereas Section 134 of the Municipal Government Act states:  
134 (1) Property may be sold for taxes if the taxes with respect to the property are not paid in full for the taxation year immediately preceding the year in which the tax sale proceedings are commenced, but the proceedings shall not commence before June 30th in the year immediately following that taxation year.
2. The Town of Mahone Bay wishes to establish the following policy to apply with respect to when a property will be placed on the Tax Sale List.

**Tax Sale List**

1. Any property which is in arrears of taxes for the current and preceding taxation years, shall be placed on the Tax Sale List
2. For the purposes of this policy “in arrears” means any portion of taxes, interest and other costs not paid as of the due date for payment of taxes set by Council on a year to year basis.
3. For the purposes of this policy “year” means taxation year commencing on April 1<sup>st</sup> of any given year to March 31<sup>st</sup> of the following year.
4. If a property owner has entered into a tax arrears payment arrangement and defaulted on the agreement within the three preceding years, the property shall be placed on the Tax Sale List when it is in arrears of taxes for one preceding taxation year.

**Exceptions**

1. The Town of Mahone Bay will not place any properties on the Tax Sale List if the property owner and the Town have entered into a tax arrears payment arrangement and the property owner is in compliance with the agreement.
2. The Town of Mahone Bay will not place any properties on the Tax Sale List if the solicitor

for the Town advises that a sale of the property would expose the Town to an unacceptable risk of litigation.

3. The Town of Mahone Bay will not place any properties on the Tax Sale List if the taxes have been deferred pursuant to a by-law.

4. In preparing the list for tax sale, no property shall be listed whose outstanding balance is \$300 or less.

5. The Town of Mahone Bay may elect not place a property on the Tax Sale list if the property has been put up for sale three times in the preceding three years and no satisfactory offer has been made with respect to it.

6. The time limit allowed between the date of the preliminary notice to the owners of property on the tax sale list and when procedures are commenced and additional expenses are incurred for title searches, etc. shall be fourteen (14) days as outlined in the MGA.

## **Tax Sale Proceedings**

1. MGA Section 141 (1) indicates property liable to be sold for taxes shall be sold at public auction, while Section 141 (2) allows such property to be sold by tender.

The following property will be sold by tender:

- a) Properties which are held to be of insufficient size or dimensions to be capable of any reasonable use.
- b) Properties which have been put up for sale in the preceding 3 years and no satisfactory offer has been made with respect to it.
- c) Additional properties at the discretion of Council.

All other properties will be sold at public auction.

2. The minimum tender or bid shall constitute the taxes, interest, and expenses for the property unless otherwise directed by Council.

3. The following process shall be followed for sale at public auction:

The Treasurer shall introduce the properties on the Tax Sale List to be sold at public auction by minimum bid in ascending order. The minimum acceptable bid will be announced at the beginning of sale for each property; this bid constitutes the taxes, interest, and expenses for each property. After a bid is made the Treasurer will make the statement "Current bid on the floor is X dollars, are there any other bids". When no

further bid is forthcoming, the Treasurer will make the statement “are there any further bids” three times and where no further bids are made, the Treasurer will declare the property sold to the highest bidder. If no bids are made, the property may be held until the next Tax Sale, or may be sold by Tender.

Payment of cash, certified cheque, or lawyers trust cheque to cover taxes and expenses must be made at the time of sale. The balance of the purchase price, if any, must be paid in like manner within three (3) business days. If the balance is not paid, the Town will retain the initial instalment and use that to pay any and all expense to conduct another sale. Any remaining balance will be refunded once the successful sale is concluded.

4. The following process shall be followed for sale by Tender:

The Treasurer will advertise the properties on the Tax Sale List to be sold by tender in the local paper and on the Town’s website. The properties will be advertised for a minimum period of three (3) months; a minimum of one advertisement per month will be published in the local paper. Advertisements are to provide the Assessment Account Number, Civic Number, minimum bid and description for each property being sold by tender.

The Town of Mahone Bay makes no representation on the size of any of the lots described. The Town of Mahone Bay requires that the buyer at their cost survey the lot before the actual deed is prepared. It is the responsibility of the tendered to satisfy him or herself on the size of the lot on which the tender is submitted.

Tenders are to be enclosed in a sealed envelope clearly marked and include the property number and description of the property being tendered, amount of bid, name and address of the bidder, and a telephone number where the bidder can be contacted.

The person whose tender is accepted shall pay the tender price by certified cheque or bank draft within three business days after being notified of the acceptance, at which time the Schedule “A” will be forwarded to the purchaser for the migration and deed preparation. The finalized deed will be forwarded to the Town of Mahone Bay Solicitor for final approval and to apply signatures. The deed will then be forwarded to the purchaser to record.

The purchaser will be responsible to pay the Town of Mahone Bay within forty-five (45) days of the accepted tender for all legal costs included, survey cost, cost of the migration of the property, deed preparation costs, registration fees, and applicable taxes before the actual deed is prepared.

The Town of Mahone Bay reserves the right to reject any or all tenders, not necessarily accept the lowest tender, or to accept any tender which it may consider to be in the best interest of the Town. If all the tenders for a property are rejected, the Treasurer may again put the land up for sale by tender or public auction.

### **Conflict of Interest**

1. No Council member or employee of the Town, nor spouse of a Council member or employee, nor company in which any of the aforementioned owns or beneficially owns the majority of the issued and outstanding shares, shall purchase the land at the sale either directly or through an agent. MGA Section 144 (3) provides that a personal who contravenes this Section is liable, on summary conviction, to a penalty of five thousand dollars, and in default of payment, to imprisonment for a term not exceeding six months. Where there is a conviction pursuant to subsection (3), the relevant person forfeits their office or employment, as the case may be.

### **Tax Arrears Payment Arrangements**

1. MGA Section 134 (5) allows Council to adopt a policy permitting tax arrears payment arrangements.

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

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

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

4. 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.

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

6. A tax arrears arrangement is valid to the end of the fiscal year in which it is made, unless special circumstances have been approved by Council
7. At the date of signing, the taxpayer may choose to schedule payment to allow for seasonal fluctuations in income. Changes to the monthly repayment schedule will be subject to approval of the Treasurer and must include account balance being paid in full by the end of the current fiscal year.
8. Monthly payments are due by the close of business on the last business day of the month.
9. Any monthly payments not received by the dates specified in the agreement shall be deemed to be a default on the agreement, and the Town of Mahone Bay shall proceed to tax sale on the property at the next opportunity.
10. Amendment or renegotiation of tax arrears payment arrangements are at the discretion of the Treasurer where a current agreement exists, and the agreement is not in default. Amendment or renegotiation will not be considered where the agreement is in default.
11. While a tax arrears payment arrangement is in force on a property, the property owner shall not subdivide to make the property smaller, or demolish a building on the property in whole or part, without the prior approval of the Treasurer
12. No refund will be made to the owner for any reductions in taxes owing as a result of an appeal on assessment. Such amounts will be credited to the tax arrears payment arrangement.

Clerk's Annotation for Official Policy Book	
Date of notice to Council Members of Intent to Consider [minimum 7 days notice]	February 11, 2020
Date of Passage of Policy	February 27, 2020
_____	_____
Town Clerk	Date

