

RM OF REYNOLDS POLICY

Title: TAX ARREARS AGREEMENT

Policy No. 39

PURPOSE:

To establish a framework to permit the CAO to approve "Agreements for Payment of Tax Arrears" between the Municipality and ratepayers.

POLICY:

Under the authority of The Manitoba Municipal Act, Section 369 (1)(b), a property owner may enter into an agreement with the Municipality for the payment of tax arrears and costs in order to remove property from a Tax Sale auction. In order to expedite these agreements, the CAO shall be permitted to enter into agreements for tax arrears under the following guidelines:

1. Requests by the property owner to enter into an agreement must be made in writing at least 24 hours before the schedule Tax Sale. The agreement must be signed two weeks before the actual Tax Sale.
2. Agreements must include all arrears outstanding, not just the arrears for the designated year.
3. Agreements should be made for terms of less than 24 months to ensure the property does not become eligible for tax sale in the year subsequent to the agreement.
4. Payments should be made by certified cheque, e-transfer or cash, beginning within one month of the date of the signing.
5. If the property owner misses a payment for any reason, the property will immediately become eligible for tax sale, and further agreements shall not be considered.
6. Interest, at the current tax arrears rate at the time of the agreement is signed, will continue to accrue on any unpaid balances.
7. Property owner must not have defaulted on a previous tax arrears agreement.
8. The agreement will expire the day after full payment is made.
9. Failure to pay the current and designated year taxes will result in further Tax Sale proceedings.

Council approval will be required for all requests for agreements which fall outside of this policy, including requests for deferred payment greater than one month or other exceptional situations. A written letter to Council or appearance as a delegation by the Property Owner will be required for exceptional circumstances. The CAO will present the application at the earliest possible opportunity.

General Terms for Tax Arrear Agreements

1. Interest charges will continue to accrue on outstanding balances
2. Prepayments in part or in whole will be accepted without any penalty
3. Default on the agreement will result in the property being eligible for tax sale and future agreements will not be available to the property owner.



Schedule "A"

TAX ARREARS PAYMENT AGREEMENT

DESIGNATED TAX YEAR _____

This Agreement made this _____ day of _____, 20__.

BETWEEN:

The Municipality of Reynolds

("Municipality")

-and-

("Property Owner")

WHEREAS the property taxes imposed by the Municipality and payable in respect of the real property having a municipal address of _____ and being legally described as:

_____ (the "Property") are in arrears;

AND WHEREAS in addition to the current year's taxes and penalties thereon, the following debt arising from non-payment of property taxes for the years _____ is due and owing to the Municipality as at the date hereof:

\$ _____ Arrears and penalties exclusive of current year's taxes and penalties
(the "Tax Arrears")

\$ _____ Current year's taxes and penalties on Tax Arrears (the "Penalties")

\$ _____ Expenses and discharge costs (the "Costs")

\$ _____ **TOTAL**

AND WHEREAS under the terms of The Municipal Act the Property Owner has been given notice that unless the tax arrears for the designated year and the Costs in respect of the Property are paid in full to

the Municipality, or an agreement to pay the Tax Arrears, Penalties and Costs has been made prior to commencement of the tax sale auction, the Municipality will proceed to sell the Property;

AND WHEREAS the Municipality and the Property Owner have agreed to enter into an agreement in respect of the payment of the Tax Arrears, Penalties and Costs on the terms and conditions hereinafter set forth;

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereby agree as follows:

1. The Property Owner hereby acknowledges the debt owing in the amount set forth above and agrees to pay the Tax Arrears, Penalties and Costs.

By equal _____ payments of \$_____, commencing on _____ and continuing to and including _____ and one final payment on _____ in the amount of the outstanding balance of arrears, interest/penalties and costs. (the final payment due _____ will be approximately _____.

_____ Initial

2. The portion of the Tax Arrears and Costs which remain unpaid from time to time shall bear interest at the rate of 1.25% per month, contact the RM of Reynolds office for an updated balance on your account.
3. In the event any Penalties are outstanding at the end of the current year, they shall be added to the Tax Arrears and form a part thereof.
4. Upon execution of this Agreement, and subject to Section 7 hereof, the Municipality will adjourn or cancel the auction of the Property for the year_____.
5. If the Property Owner is not otherwise in default under this Agreement, the Property Owner may at any time prepay the whole or any part of the Tax Arrears, Penalties and Costs.
6. Upon the occurrence of either of the following events, the Property Owner shall be deemed to be in default hereunder:
 - (a) default in payment of any amount hereunder when due;
 - (b) a sale of the Property or any part thereof without the prior written consent of the Municipality.
7. In the event of default as set forth in Section 6 hereof, the Municipality, at its sole discretion and notwithstanding any other provision of this Agreement, may, in addition to any other remedy available to it:
 - (a) declare the entire amount remaining unpaid hereunder to be immediately due and payable by the Property Owner; and/or

(b) proceed to sell the Property by auction in order to recover the amounts outstanding hereunder;

and for greater certainty, the Property Owner shall not be entitled to any refund of payments made hereunder.

8. The Property Owner acknowledges that in the event of a default under the terms of this Agreement the Municipality may not consider entering into any further agreements with the Property Owner for payment of any tax arrears.
9. The making of this Agreement and the fact that the instalments payable under the terms hereof may be in good standing does not affect the Municipality's right to offer the Property for sale by auction for unpaid taxes for a year or years other than the years which are the subject of this Agreement.
10. This Agreement may not be assigned in whole or in part by the Property Owner.
11. This Agreement is binding on the heirs, executors, administrators, successors and assigns of the Property Owner.
12. This Agreement shall be governed by and construed in accordance with the laws of the Province of Manitoba.
13. Any waiver by the Municipality of any breach of any of the provisions of this Agreement by the Property Owner shall extend only to the particular breach so waived and shall not limit or affect the rights of the Municipality with respect to any other or future breach.
14. The preamble to this Agreement is an integral part hereof.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first above written.

THE RURAL MUNICIPALITY OF REYNOLDS

PROPERTY OWNER

Kim Furgala, CMMA, CMML
Chief Administrative Officer

Property Owner

Witness

Witness