

TOWN OF MORDEN
POLICY & PROCEDURES MANUAL

<i>Section</i> Finance and Administration	<i>Classification</i> Policy
<i>Subject</i> Tax Sale	<i>Pages</i> 7
<i>Authority</i> Council	<i>Effective Date</i> April 8 th , 2003
<i>Approved (date and resolution number)</i> April 8 th , 2003 #12	<i>Index Number</i> F/A-002

Purpose

The purpose of this policy is to identify the method by which the tax sale process is to be conducted for the Town of Morden under normal circumstances.

Sections 363 to 381 (Part 11, Division 6) of the Municipal Act provide the authority for tax sales of real property. Reference should be made throughout the tax sale process to the Municipal Act Procedures Manual for assistance. As legislation has been changing from year to year on the tax sale process, staff must ensure that they are working within current legislation.

1.0 Reminder Notices

- 1.1 In December of each year, tax reminder notices shall be sent out to all property owners who have an outstanding balance.
- 1.2 In January of each year, a tax arrears listing will be posted in the front foyer of the Town of Morden Civic Centre, which will identify properties that have arrears of taxes for more than two years. This listing will include the Roll Numbers, the Legal Descriptions, and the Amount of Property Taxes owing of these properties. This listing is to be up-dated on a regular basis
- 1.3 In December of each year, tax reminder notices shall be sent out to all property owners who have an outstanding balance.

2.0 Land Titles

- 2.1 In late February, Form PR1 (TAXSN) is to be forwarded to Land Titles Office for its completion.

3.0 Setting Tax Sale

- 3.1 Council shall set the date of the tax sale by resolution. It must be at least 120 days from the date MLTO registered the PR1 form.
- 3.2 Once a tax sale date has been set, Council shall by resolution authorize the appointment of an auctioneer.
- 3.3 Council shall by resolution authorize the setting of reserve bids, appoint an employee or representative of the Municipality to bid on desired property(s), and set any desired conditions of the tax sale.

4.0 Personal Service

- 4.1 At least 90 days prior to the auction, all parties with an interest in property eligible for tax sale must be notified. A process server or a designated officer of the municipality, accompanied by a police officer where considered necessary, shall do personal notice.
- 4.2 A second notice must also be personally served 30 to 50 days prior to the auction.

5.0 Posting of Notices

- 5.1 Notice must be posted in the Municipal Office and on or near the affected property at least 30 days before the auction. Once a notice has been posted on the property, the Chief Administrative Officer is authorized to proceed with legal action where considered necessary to protect the improvements on the property.
- 5.2 When posting the notice on or near the property, a photo is to be taken showing the notice located in front of the applicable property. The date and time the notice was posted must be documented.

6.0 Payments Received Within 10 Days of Tax Sale Date

6.1 Any payments received within 10 days of the tax sale, must be made by cash, money order or certified cheque.

7.0 Agreements

7.1 Requests by the property owner to enter into an agreement as provided for in Section 367(6) must be made in writing at least 24 hours before the scheduled tax sale, and the agreement must be signed at least 2 hours before the actual tax sale. The Chief Administrative Officer is hereby authorized to enter into agreements of this nature under the following parameters:

- a) 10% of tax sale arrears, along with all tax sale costs and fees shall be paid by cash, money order, or certified cheque at the time the agreement is entered in to;
- b) balance of tax arrears to be paid over the following 9 months in equal instalments;
- c) 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;
- d) interest, at the current tax arrears rate at the time the agreement is signed, will continue to accrue on any unpaid balance;
- e) agreement will expire the day after full payment is made in the 9th month;
- f) payments made will not be refundable; and
- g) failure to pay the current and designated year taxes will result in further tax sale proceedings.

8.0 Tax Sale

8.1 For properties that do proceed to tax sale, the following terms and conditions shall be in effect:

- a) purchasers shall be required to pay by cash or provide an irrevocable letter of guarantee from the bank at the time of the auction;
- b) purchaser will indemnify and save harmless the Town of Morden from and against all claims, damages, suits and actions that the purchaser may suffer as a result of purchasing this/these properties.

AGREEMENT FOR PAYMENT OF TAX ARREARS

FOR THE YEARS: _____ DATED: _____, 20__

BETWEEN:

Town of Morden
(hereinafter referred to as the "Municipality"),

-and-

(hereinafter referred to as the "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 penalties on Tax Arrears (the "Penalties") \$ _____

- expenses plus administration fee of \$50
in respect of recovering the debt (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 in accordance with Schedule "A" attached hereto.

2. The portion of the Tax Arrears and Costs, which remain unpaid from time to time shall bear interest at the rate of _____% per month, being _____ %per annum compounded annually.

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.

SIGNED, SEALED AND DELIVERED

In presence of:

WITNESS (signature)

Witness name (print)

Witness address (print)

(Signature of Property Owner)

Chief Administrative Officer, Town of Morden

Mayor