

Town of Yarmouth

Tax Arrears Payment Arrangements Policy

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

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

Policy

- 1) Where the owner of a commercially-assessed property approaches the Town of Yarmouth and requests to enter in a tax arrears payment arrangement for the commercial property, the Town of Yarmouth may enter into such an agreement, as outlined below.
- 2) 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.
- 3) A tax arrears payment arrangement may include multiple properties, provided that they all are commercially-assessed properties. A default on the agreement related to one property will be deemed to be a default on all properties within the agreement.
- 4) Any tax arrears payment arrangement does not affect the amount of interest owing or the rate at which interest is calculated on outstanding balances.
- 5) A tax arrears payment arrangement is valid for one year, with an option to the property owner to renew the agreement annually for up to 4 more years with the same *Monthly Payments*.
- 6) To calculate the minimum *Monthly Payment* under a tax arrears payment arrangement for a property, the following formula shall be utilized:
 - a. *Monthly Tax Arrears*: one-and-a-half times the average annual taxes for the years with taxes in arrears, divided by 12.
 - b. *Monthly Interest*: Interest as calculated by the Town of Yarmouth at the first of each month.
 - b. *Monthly Payment* = *Monthly Tax Arrears* + *Monthly Interest*
- 7) *Monthly Payments* are due by the close of business on the last business day of the month.

- 8) 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.
- 9) If a tax arrears payment arrangement is in default, the Town of Yarmouth shall immediately proceed to tax sale.
- 10) 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.
- 11) While a tax arrears payment arrangement is in force on a property, the property owner may not apply for permission for:
 - subdivision to make the property smaller,
 - demolish buildings in whole or in part,
- 12) 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.
- 13) Proof of insurance must be provided to the Town of Yarmouth every six months.