

MUNICIPALITY OF THE DISTRICT OF YARMOUTH

<p style="text-align: center;"><b>Tax Arrears Payment Arrangement Policy</b> <b>T-8210-17</b></p>	<p>Effective Date: June 27, 2018</p>
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Under the 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 property owners.

**Policy**

**Part 1**

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

**Part 2**

Where the property has been identified as eligible for the current fiscal year tax sale proceedings, the CAO or his/her designate may contact property owners to enter into such an agreement.

**Part 3**

The CAO or his/her designate shall determine the total of all tax amounts (property, area rates, special rates, etc.) owing to the Municipality of Yarmouth related to the property, and all shall be included in the tax arrears payment arrangement.

**Part 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.

**Part 5**

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

**Part 6**

To calculate the *Monthly Payment* under the tax arrears payment arrangement for a property, the following formula shall be utilized where the CAO and the property owner are unable to agree on a mutually acceptable payment arrangement.

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*Payment amount calculation common with Excel spreadsheet functions described as **PMT ()**; where  $PMT = (interest\_rate, number\_payments, PV, [FV], [Type])$*

- *Interest\_rate = interest rate in effect on outstanding taxes*
- *Number\_payments = 12*
- *PV = the total of all amounts outstanding*
- *FV = is the future remaining value after 12 payments have been made, which under this policy will be 0.*
- *Type = the timing of the monthly payment, which under this policy will be at the end of each month. (represented in the formula as the digit "0".)*

**Part 7**

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 Part 6. No payment may exceed 150% of the *Monthly Payment*.

**Part 8**

*Monthly Payments* are due by the close of business on the last business day of the month.

**Part 9**

A taxpayer may prepay the total amount of taxes and interest outstanding at any time during the payment arrangement term.

**Part 10**

Lump-sum payments received from a taxpayer that are less than the total amount of taxes and interest outstanding and/or are not within the pre-determined payment schedule as agreed to in the payment arrangement, will be applied to future year's taxes.

**Part 11**

Any *Monthly Payments* not received by the dates specified in the agreement shall be deemed to be default on the agreement. The property owner shall have 30 business days to remedy said default before the CAO declares default and the tax arrears payment

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arrangement becomes void. The tax arrears payment arrangement is in effect for a one year period regardless of tax year owing.

**Part 12**

If a tax arrears payment arrangement is in default, the Municipality of Yarmouth shall have the option to immediately proceed to tax sale.

**Part 13**

Notwithstanding paragraphs 9, 10 and 16, 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.

**Part 14**

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;
- Demolition of building in whole or part.

**Part 15**

No repayment shall be made from the Municipality under policies that may provide repayment of taxes where destruction has occurred (Section 69A of the MGA). Furthermore, 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.

**Part 16**

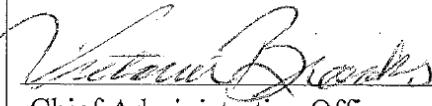
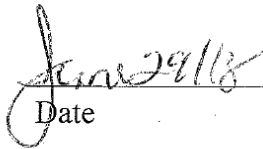
For property owners with a tax arrears payment arrangement which is not in default at the date of Council adoption of this policy, the tax arrears payment arrangement may be cancelled and a new one-year agreement signed pursuant to this policy.

**Part 17**

The tax agreement particulars will be documented in an “Agreement for Payment” to be signed by both parties agreeing to the payment arrangement. A sample “Agreement for Payment” form is attached to this policy as Schedule “A”.

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Chief Administrative Officer's Annotation for Official Policy Book	
Date of Notice to Council members of Intent to Consider (7 days Min)	June 19, 2018
Date of Passage of current Policy	June 27, 2018
I certify that this Dangerous and Unsightly Policy D-042-18 was adopted by Council as indicated above.	
 Chief Administrative Officer	 Date

**Date last reviewed: June 27, 2018**

**Date last amended: June 27, 2018**

**Date last reviewed by the By-Law and Policy Review Committee: May 24, 2018**



**AGREEMENT FOR PAYMENT  
Schedule "A"**

I, \_\_\_\_\_, am indebted to the Municipality of the District  
of Yarmouth in the amount of \$ \_\_\_\_\_.

Property Located in \_\_\_\_\_

Assessment Account Number(s) \_\_\_\_\_

**I hereby agree to payment of the above arrears as follows:**

**Amount of Payment:** \$ \_\_\_\_\_

**Frequency:**

**Starting Date:**

**Completion Date:**

**By means of:** Cash/Debit     On-line Payments     Post Dated Cheques

**Automatic Debit**

It is further acknowledged that interest will accrue on principle amounts outstanding at a monthly rate of 1.5%.

**I acknowledge that the Municipality reserves the right to proceed with tax sale should there be any default whatsoever in the above payment schedule.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at  
Hebron, Province of Nova Scotia.

\_\_\_\_\_  
Property Owner

\_\_\_\_\_  
Property Information Manager

\_\_\_\_\_  
Phone Number