

**TOWN OF MIDDLETON  
CODE A - GENERAL ADMINISTRATION**

**Subject: Tax Sale Procedures**

**Number: 1.18**

**Coverage: Staff & Public**

**Approved by: Council & CAO**

**Effective Date : November 1, 1999**

**Revision Date: August 8, 2006  
March 5, 2007**

***Rationale***

This policy is written to clearly state the tax sale procedures and ensure that the Town fully collects outstanding taxes.

***Policy Statement***

**1.0) Initiating Tax Sale procedure**

- 1.1) Tax Sale procedures shall commence as soon as practicable after June 30<sup>th</sup> in the year immediately following the taxation year to which the tax relates, where tax balance is greater than \$50.00 [134(1), MGA].
- 1.2) Tax Sale procedures shall commence on any property regardless of the balance where all or part of the taxes owing are two years or more in arrears.

**2.0) Accepting Payment**

- 2.1) The CAO may accept instalment payment arrangements sufficient to clear prior year's arrears and, whenever possible, current year taxes, by the end of the current fiscal year.
- 2.2) Default of instalment arrangements on prior year balances shall place the property immediately back on the Tax Sale list, unless alternate arrangements are made with the Town for payment in the required time limit, or where the remaining balance is less than \$50.00.
- 2.3) Payments on accounts shall be applied against taxes in the following order
  - a) interest on Occupancy Tax;
  - b) Occupancy Tax principal;
  - c) interest on Dangerous and Unsightly Premises charges;
  - d) Dangerous and Unsightly Premises charges principal;
  - e) Legal, notice, and advertising costs incurred in the collection process;
  - f) interest on real property tax; then
  - g) principal on real property tax,.
- 2.4) Where multiple real property tax accounts are outstanding, the taxpayer may direct which real property tax bill shall be paid first.

### **3.0) Tax Sale**

- 3.1) The CAO shall sell property for taxes owing for three years, excepting when options as set out in Sec. 70 & 134(4) MGA are implemented by Council.
- 3.2) A Tax Sale list shall be prepared and posted as required by Section 137 of the Municipal Government Act and shall include accounts where instalment payment arrangements have been made but tax arrears are yet unpaid.
- 3.3) A Preliminary Notice giving 30 days to pay or make arrangements for payment of arrears shall be sent (Section 138 MGA).
- 3.4) Warrants may be issued by the CAO for accounts after taxes become due (Sec.121 MGA).
- 3.5) Warrants on taxes not yet due shall be applied for to the Mayor for issuance, where it is deemed necessary to protect against loss of personal property that could be seized to satisfy all or part of the tax balance, interest and costs thereon (Sec.120 MGA).
- 3.6) Sale of personal property seized by tax warrant shall follow procedures set out in the Municipal Government Act.
- 3.7) The CAO is authorized to initiate small claims court proceedings where deemed effective for collection of occupancy taxes.

### **4.0) Title Search and Survey**

- 4.1) Title searches must be prepared by the Town Solicitor's Office, to ensure accuracy of title and lien information.
- 4.2) Surveys are only to be undertaken where property boundaries are uncertain or where only part of a property is to be sold to clear taxes. Prior approval shall be obtained from Council.

### **5.0) Minimum Payment to Cancel Tax Sale Action**

- 5.1) A Tax Sale process may only be stopped by payment of all costs, interest and principal of taxes outstanding, including current year taxes and interest, once the advertisement of Tax Sale shall have first appeared in the local paper.
- 5.2) Where there is a chance the total outstanding may not be recovered on a particular account, Council may direct that a lesser amount may be accepted (Sec.141(3)MGA).

### **6.0) Payment at a Tax Sale**

- 6.1) Payment at a Tax Sale shall be only in the form of cash, lawyer's trustee cheque, certified cheque or money order for the minimum required amount to cover all

costs, interest and principal owed on the account, or such other minimum amount set by Council, and must be paid at the tax sale.

6.2) Any amount bid beyond this minimum shall be paid within three (3) business days after the Tax Sale. If the bidder defaults in payment of the extra amount bid, costs of the Tax Sale shall be deducted and the property shall again be tendered for Tax Sale (Sec.148 MGA).

6.3) In this event, the Tax Sale process shall begin with the advertisement of the property setting the Tax Sale date. The owner and encumbrances shall receive direct notice of the resale date in the appropriate form.

6.4) Payment of amount bid at the ensuing Tax Sale shall be required in full by accepted means described in section 6.1 of this policy.

#### **7.0) Council Bids**

7.1) Council may bid for a property at a sale where the property is desired for a Municipal purpose.

7.2) Where no bids are tendered for a property, Council may bid the minimum payment required, and may decide to sell the property by tender to recover costs and taxes that should have been levied, were the property taxable, after any redemption period shall have lapsed.

#### **8.0) Tax Sale Proceeds**

8.1) Proceeds of the Tax Sale shall be applied to arrears of taxes (lien), interest and expenses, including current taxes. Any balance remaining shall be applied against other amounts due the Town that do not form a lien on the property and any residual amount shall be dealt with as required in the Act.

---

#### **References**

Province of Nova Scotia - *Municipal Government Act*. - Part VI

See also - Town of Middleton - *Policy A.1.17 - Tax Collection Procedures*

**Previous Policies**

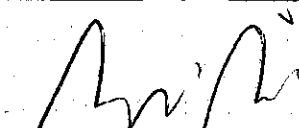
The previous policy A.1.11 "Tax Collection", approved August 8, 2006, is hereby rescinded.

**Certification**

**THIS IS TO CERTIFY** that this policy was duly passed by a majority vote of the whole Council at a duly called Council meeting held on the 5<sup>th</sup> day of March, 2007.

**GIVEN** under the hand of the CAO and under the seal of the Town of Middleton this

5<sup>th</sup> day of March, 2007

  
Raymond C. Rice  
Chief Administrative Officer