CHANNEL
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| Title: *Arrears Collection and Sales Bylaw* | Publication: *External* |
| Department: *Administration* | Bylaw Number: *TOCPAB-002-BL* |
| Approval Date: *April 29th, 2025* | Implementation Date: *April 29th, 2025* |

## SECTION 1: APPLICATION

### 1.1 TITLE

This Bylaw shall be known and cited as the *Arrears Collection and Sales Bylaw for the Town of Channel - Port Aux Basques.*

### 1.2 PURPOSE

To ensure that the Town of Channel - Port Aux Basques (the "Town") can effectively manage accounts receivable, and provide consistent and equitable treatment to debtors.

### 1.3 AUTHORITY

This Bylaw is adopted in accordance with section 7(1)(d) and section 12(1) of the *Towns and Local Service Districts Act, Chapter T-6.2, 2023.*

## SECTION 2: DEFINITIONS

**Arrears Sale -** is the sale of real property by a Town to recover unpaid real property taxes, water and sewer fees, or local improvement fees in relation to the real property.

**Real Property:**

I. Land or an interest arising from land, and includes land under water,
II. Land and buildings, structures, improvements, buildings service systems, and storage facilities and fixtures erected or placed upon in, over, or under land or affixed to land.
III. A building that is erected on land under a lease, license or permit, but does not include the land upon which the building is erected, and
IV. A mobile home or trailer that is adopted as a residence, shop, office, or for another similar use.

**Property Tax -** taxes fixed, established and imposed in respect of real property.

**Business Tax -** taxes fixed, established and imposed as per section 125 of the *Towns and Local Service Districts Act, Chapter T-6.2, 2023.*

**Local Improvement Fee** – a fee imposed under section 135 of the *Towns and Local Service Districts Act, Chapter T-6.2, 2023.*

**Town -** a geographical area incorporated or continued as a Town under the *Towns and Local Service Districts Act, Chapter T-6.2, 2023* or the corporation, as the context requires, but does not include an Inuit community government.

**Town Manager** – As defined in the *Towns and Local Service Districts Act, Chapter T-6.2, 2023*

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## SECTION 3: ARREARS COLLECTION AND SALES BYLAW

### 3.1 RESIDENTIAL PROPERTY TAX DISCOUNT

The Town of Channel - Port Aux Basques offers a discount to residential property owners who pay their tax account in full by March 31st. The discount amount is specified in the annual Tax and Fee Structure.

### 3.2 PAYMENT METHODS

The Town accepts the following payment methods:

*Cash, Cheque, Debit, or Online Banking Payments (Direct)*

### 3.3 COLLECTION METHODS

#### 3.3.1 Annual Invoice

People liable for taxes or fees will receive an annual invoice which will specify the amount owing, the discount date and amount of the discount being offered, if applicable, the date on which taxes are considered in arrears and notification of payment plan options.

#### 3.3.2 Statement of Account

Accounts that are outstanding as of June 30th of the tax year will receive a statement of account with a notification that a payment arrangement can be made on the account.

#### 3.3.3 Interest on Accounts

When accounts are considered in arrears 90 days after due date, simple interest will be charged on all account balances at a rate of 1% per month.

#### 3.3.4 Arrears Sale

Accounts eligible for tax arrears sale will be processed annually.

#### 3.3.5 Notice of Arrears

When a property tax or fee is in arrears for 18 months, the Town Manager shall serve a notice of arrears on to the assigned account holder to which the taxes or fees apply.

The notice must be signed by the Town Manager and shall contain the following information:

a. A general description of the real property affected;
b. The amount of arrears of taxes, or fees owing in respect of the property;
c. The year in which the arrears of taxes, or fees were imposed and the person in whose name the real property was then assessed; and
d. A statement that the property is liable to be sold for the arrears, with interest and the expenses of and incidental to the arrears unless they are paid within 90 days from the date of the notice.

Where the address of the person is not known and the property affected by the notice is occupied, the notice shall be served by leaving the notice with the tenant or occupant of the property. Where

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the address of the person is not known and the property affected by the notice is not occupied, the notice shall be served by posting a copy of the notice in a conspicuous place on the property.

### 3.3.6 Eligible for Arrears Sale

The Town Council shall, by resolution, direct that real property be sold by arrears sale upon confirmation by the Town Manager that a notice of arrears was served in accordance with this by-law and the period referred to in the notice has expired.

### 3.3.7 Notice of Arrears Sale

The Town Manager shall serve the owner of the property with written notice of the arrears sale. A person who receives a notice may, within 14 days of service of the notice, file an appeal with the Town. Appeals should be forwarded to:

*Town of Channel - Port Aux Basques*
*PO Box 70*
*Channel - Port Aux Basques, NL A0M 1C0*
*Email: info@portauxbasques.ca*

Where an appeal has not been filed, the Town Manager may then advertise the property for sale by public auction at a time and place that shall be stated in the advertisement.

Where an appeal has been filed, the Town Manager shall not advertise the property for sale by public auction until a decision has been made with respect to the appeal. An advertisement shall be published in accordance with section 292 of the *Towns and Local Service Districts Act, Chapter T-6.2, 2023* at least 30 days immediately before the date of the arrears sale.

### 3.3.8 Public Auction

At the time and place set for the arrears sale by public auction, the Town Manager or appointed representative of the Town shall proceed to sell the real property that the Town Manager or the appointed representative determines are sufficient to pay the taxes, fees, interest and expenses incurred by the Town for the proceedings, unless the arrears of taxes, fees, interest and expenses incurred by the Town for the proceedings are then, or have been previously paid. The Town, by a Town employee or agent, may bid for and purchase real property being sold to satisfy taxes, fees, interest and other expenses due.

Where there are no bidders or the Town Manager or appointed representative fails to sell the real property for the full amount of the arrears of taxes, fees, interest and expenses due, the Town Manager or appointed representative shall:

a. Adjourn the public auction until a date set that is not earlier than one week and not later than 2 weeks after the date on which the original public auction was scheduled;
b. Serve notice of the date of the arrears sale on a person entitled to the notice under this bylaw;
c. Publish the notice in accordance with section 292 of the *Towns and Local Service Districts Act, Chapter T-6.2, 2023* that states that the arrears sale was adjourned and the time and place to which the arrears sale is adjourned;

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d. Attempt to sell the real property at public auction.

The Town Manager may sell the real property at public auction for an amount that can be realized.

**3.4 UNCOLLECTABLE DEBTS**

The Town Council may, by a vote of 2/3 of Councilors in office, cancel or write off any arrears of taxes, fees, penalties or interest charges that, in the opinion of the Town, are no longer collectable from the person that is liable to pay them.

**SECTION 4: REVIEW OF BY-LAW**

This Bylaw will be reviewed as deemed necessary. Any revisions to this Bylaw are subject to approval of Council. This Bylaw rescinds all previous policies or Bylaws pertaining to this subject matter.

*[end of by-law statement]*

Dated at the Town of Channel - Port Aux Basques this 1st day of May, 2025.

Brian Button
Mayor

Nadine Osmond
Town Manager