

**Municipalities will want to establish a covering policy to standardize the terms for payment of tax arrears by agreement. Those property owners who do not fit the terms of the established policy could be referred to council for consideration of extraordinary circumstances.**

**AGREEMENT FOR PAYMENT OF TAX ARREARS**

FOR THE YEARS: \_\_\_\_\_ DATED: \_\_\_\_\_, 2000

BETWEEN:

\_\_\_\_\_  
(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 the presence of: )  
 )  
 )  
\_\_\_\_\_)  
WITNESS (signature )  
 )  
\_\_\_\_\_)  
Witness name (print) )

\_\_\_\_\_  
(signature of Property Owner)

\_\_\_\_\_  
Witness address (print)

)  
)  
)

Municipality \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Head of Council

\_\_\_\_\_  
Chief Administrative Officer

**SCHEDULE A**

*In the example the amount owing in the year 2000 for 1998 tax arrears and 1999 tax arrears plus costs is \$5,000. With a down payment of \$1,000 and monthly payments of \$400 per month, the repayment schedule incorporating the current year's penalty (12% per annum) would be as follows:*

<u>Date</u>	<u>Payment</u>	<u>Taxes</u>	<u>Penalty</u>	<u>Balance</u>
June 1/00	1,000.00 (down payment)	943.40	56.60 (6%)	4,056.60
July 1/00	400.00	373.83	26.17 (7%)	3,682.77
Aug. 1/00	400.00	370.37	29.63 (8%)	3,312.40
Sept. 1/00	400.00	366.97	33.03 (9%)	2,945.43
Oct. 1/00	400.00	363.63	36.37 (10%)	2,581.80
Nov. 1/00	400.00	360.36	39.64 (11%)	2,221.44
Dec. 1/00	400.00	357.14	42.86 (12%)	1,864.30
Dec. 31/00	Add penalties to end of year to close roll	(223.71)	223.71 (12%)	2,088.01
Jan. 1/01	400.00	396.03	3.97 (1%)	1,691.98
Feb. 1/01	400.00	392.15	7.85 (2%)	1,299.83
Mar. 1/01	400.00	388.34	11.66 (3%)	911.49
Apr. 1/01	400.00	384.61	15.39 (4%)	526.88
May 1/01	400.00	380.95	19.05 (5%)	145.93
June 1/01	<u>154.68</u>	<u>145.93</u>	<u>8.75 (6%)</u>	0.00
	5,554.68	5,000.00	554.68	