



**Town of Springdale  
By-Law**

<b>Department: By-Law</b>	<b>Title: Arrears By-Law</b>
<b>By-Law Number: BL004</b>	<b>Approval Date: March 3, 2025</b>
<b>Effective Date: March 4, 2025</b>	<b>Revision Date:</b>
<b>Motion #25-043</b>	

**TITLE**

This by-law shall be known and cited as the *Arrears By-Law* for the Town of Springdale.

**PURPOSE**

To ensure that the Town of Springdale (the “Town”) can effectively manage accounts receivable, including collection procedures to minimize amounts owing to the municipality; provide consistent and equitable treatment to debtors and communication on amounts owing; ensure that reasonable and appropriate collection action is taken.

**AUTHORITY**

Whereas this By-Law is adopted in accordance to section 7(1)(d) and section 12(1) of the *Towns and Local Service Districts Act, Chapter T-6.2, 2023*.

**DEFINITIONS**

“**Arrears Sale**” means 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**” means

- 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.

“**Taxes**” means taxes fixed, established and imposed in respect of real property, including a real property tax, and a business tax, where the owner of the business is also the owner of the real property occupied by that business.

**“Fees”** means a local improvement fee as imposed under section 135 of the *Towns and Local Service Districts Act, Chapter T-6.2, 2023*, and any other fee charged for services provided by the Town.

**“Town”** means 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.

## **BY-LAW STATEMENTS**

### **RESIDENTIAL PROPERTY TAX DISCOUNT**

The Town of Springdale offers a discount to residential property owners who pay their tax account in full by March 31.

### **PAYMENT METHODS**

The Town accepts the following payment methods:

Cash  
Cheques made payable to: Town of Springdale  
Debit  
Visa or Mastercard (2% fee)  
Online banking – Scotiabank, BMO and CIBC

### **COLLECTION METHODS**

#### **Statement of Accounts**

Persons liable for taxes, or fees will receive quarterly statements, with a request to enter into a payment arrangement.

#### **Interest on Accounts**

When accounts are considered in arrears simple interest will be charged on all account balances at a rate of Prime+3%

#### **Statement of Claim**

When taxes or fees are considered outstanding for more than 6 months and no satisfactory payment arrangement has been made, the Town may file a Statement of Claim with the Provincial Small Claims Court.



The CAO shall complete the Statement of Claim form, sign and register the claim with Small Claims Court.

Upon registration with the court, documents must be served on the defendant by either;

- a. Hand delivering the documents to the defendant by the Town Manager;
- b. Sending the documents via registered mail to the defendant;
- c. Hiring a process server to serve the documents on the Town's behalf to the defendant.

### **Arrears Sale**

Accounts eligible for tax arrears sale will be processed annually.

### **Notification of Arrears**

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

The notice must be signed by the Town Clerk and shall contain the following information;

- a. A general description of the real property;
- 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 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.

### **Eligible for Arrears Sale**

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

## **Notice of Arrears Sale**

The Town Clerk 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 and appeal with the Town.

Appeals should be forward to:  
Town of Springdale  
PO Box 57  
Springdale, NL  
A0J 1T0  
Email: [townclerk@townofspringdale.ca](mailto:townclerk@townofspringdale.ca)  
Fax: (709) 673-4969

Where an appeal has not been filed, the Town Clerk 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 Clerk 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.

## **Public Auction**

At the time and place set for the arrears sale by public auction, the Town Clerk or appointed representative of the Town shall proceed to sell the real property that the Town Clerk or 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 Clerk fails to sell the real property for the full amount of the arrears of taxes, fees, interest and expenses due, the Town Clerk 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 arrears sale on a person entitled to the notice under this by-law;
- 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;
- d. Attempt to sell the real property at public auction.

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

### **UNCOLLECTABLE DEBTS**

The Town may, by 2/3 of councillors 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.


Debtors that have accumulated multi-year debt will receive notification off the debt by registered mail on a quarterly basis.

### **REVIEW OF BY-LAW**

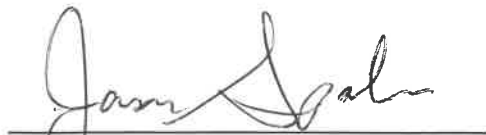
This by-law will be reviewed as deemed necessary. Any revisions to this by-law are subject to the approval of Council. This by-law rescinds all previous policies or bi-laws pertaining to this subject matter.

(end of by-law statement)

Dated at the Town of Springdale this 3 day of March, 2025



Name: Alex Goudie  
Title: Mayor



Name: Jason Sparkes  
Title: CAO