



## ARREARS SALES BY-LAW

### BY-LAW NO.

BL-CS-02

### PASSED BY COUNCIL ON

November 10, 2025

### MOTION NUMBER

M25-355

### PUBLISHED BY AUTHORITY

Pursuant to the authority vested in it under the *Towns and Local Service Districts Act, SNL 2023 T-6.2*, Section 7(1)(d)., and all other powers enabling it, the following By-law has been created by the Town of Paradise and adopted to establish a set of rules for Arrears Sales.

#### 1. TITLE

This By-law may be cited as the *Arrears By-law*.

#### 2. INTERPRETATIONS

- (a) "Act" or "Towns and Local Service Districts Act" means the *Towns and Local Service Districts Act, SNL 2023 T-6.2* as amended from time to time.
- (b) "Appellant" means a person who files an appeal pursuant to Section 5 of these By-laws.
- (c) "Arrears Sale" means the sale of real property by the Town to recover unpaid real property taxes, water and sewer fees, or local improvement fees in relation to the real property.
- (d) "Auction" means a public auction conducted pursuant to section 3 of these By-laws.
- (e) "Bidder" means a member of public in attendance in person at an Auction.
- (f) "Chief Administrative Officer" means the person appointed under Section 58 of the Act.
- (g) "Council" means the Town Council of the Town of Paradise.
- (h) "Town" means the Town of Paradise.

### **3. APPLICATION**

This By-law applies to the sale of any real property for which a notice of arrears has been confirmed to be served in accordance with the *Towns and Local Service Districts Act*. Arrears sales will be conducted in compliance with the *Towns and Local Service Districts Act*.

In the case of an inconsistency between the provisions of these By-laws and the provisions of the Act, the provisions of the Act shall govern to the extent of such inconsistency.

### **4. RESOLUTION**

The Council shall, by resolution, direct that real property be sold by arrears sale upon confirmation by the Town Clerk that a notice of arrears for the real property was served in accordance with Section 146 of the *Towns and Local Service Districts Act* and the time period referred to in paragraph 146(2)(d) of the Act has expired.

### **5. NOTICE OF ARREARS SALE**

- (1) The Town Clerk shall immediately upon receipt of a copy of the resolution referred to in Section 150 of the *Towns and Local Service Districts Act* serve an owner, mortgagee, judgment creditor, lienholder or other person having a charge or encumbrance upon or against the real property with written notice of the arrears sale.
- (2) An advertisement under this Section shall be published in accordance with Section 292 of the *Towns and Local Service Districts Act* at least 30 days immediately before the date of the arrears sale.
- (3) It is sufficient in the notice and the advertisement to put the street and number of the real property, or to make another short reference by which the real property may be identified, together with a statement that a full description may be seen at the office of the Town Clerk.

### **6. APPEAL**

- (1) A person receiving notice of an Arrears Sale pursuant to Section 151(1) of the Act may, within 14 days of service of the notice, file an appeal with the Town.
- (2) An appeal under these By-laws shall be in writing, setting out in detail the grounds for the appeal and including supporting documentation.
- (3) The appeal shall be a rehearing by Council of the decision taken under Section 150 of the Act and shall be considered at a special meeting of Council.
- (4) The Appellant may attend the special meeting of Council but shall have no right to make oral submissions at such meeting.
- (5) At the special meeting of Council, Council shall make one of the following decisions:
  - (a) Deny the appeal and direct that written reasons for the decision be provided to the Appellant.

- (b) Allow the appeal and rescind the resolution directing the property be sold by arrears sale; or
  - (c) Require further information of the Appellant or staff and adjourn the meeting to a determined date.
- (6) Where an appeal has been filed, the property subject to the appeal shall not be advertised for sale at an Auction until the appeal has been decided.

## **7. ARREARS SALE BY PUBLIC AUCTION PROCEDURE**

- (1) At the time and place referred to in the advertisement of an arrears sale the Town Clerk shall proceed to sell at the public Auction the real property or portions of the real property that the Town Clerk determines are sufficient to pay the taxes, water and sewer fees, local improvement fees, interest and expenses, unless the arrears of taxes, water and sewer fees, local improvement fees and interest and the expenses incidental to those proceedings and the arrears sale are then, or have been previously, paid. An arrears sale shall be conducted by public Auction at the time and place stated in the advertisement issued under Section 151(5) of the Act.
- (2) The auction shall be conducted as follows:
- (a) Council may engage a professional auctioneer or other person to act as auctioneer, and in the absence of such person being engaged, the Chief Administrative Officer shall be the auctioneer.
  - (b) At the time advertised for the commencement of the Arrears Sale, the doors to the room in which the Auction is being conducted shall be secured so as to allow no new Bidders to enter.
  - (c) The auctioneer shall identify the property available for sale by stating the civic address and the names of the owners identified on the tax roll, if any.
  - (d) Where an auction is conducted pursuant to Section 152 of the Act:
    - i. The auctioneer shall state the minimum bid for the property, being the amount equal to the outstanding taxes, fees and interest in respect of the property together with the expenses incidental to the Arrears Sale.
    - ii. The auctioneer shall call for bids at the minimum bid and then in increasing increments of not less than \$100.00 until there is no Bidder for such increment; and
    - iii. If, after calling three times for a higher bid no higher bid is made, the auctioneer shall declare the highest Bidder the successful purchaser of the property.
  - (e) Where an Auction is being conducted pursuant to Section 153 of the Act:

- i. The auctioneer shall state the starting bid for the property, the amount equal to the outstanding taxes, fees and interest in respect of the property together with the expenses incidental to the Arrears Sale.
  - ii. The auctioneer shall call for bids at the starting bid and (x) if there is a bid for such amount call for bids in increasing increments of not less than \$100.00 until there is no Bidder for such increment, or (y) if there is no bid for such starting bid call for bids in such increments as the auctioneer shall determine until there is a Bidder; and
  - iii. If, after calling three times for a higher bid no higher bid is made, the auctioneer shall declare the highest Bidder the successful purchaser of the property.
- (3) The Town, through an employee or agent, may bid for and purchase real property being sold.
- (4) Where the real property referred to in the advertisement of the arrears sale is only a portion of real property for which taxes, water and sewer fees or local improvement fees are owed and the portion does not sell for a sufficient amount to satisfy the taxes, water and sewer fees and local improvement fees, interest and expenses due with respect to the real property of which it forms a part, the Town Clerk may immediately, and without further notice, sell the whole or a portion of the remainder of the real property to satisfy the taxes, water and sewer fees and local improvement fees, interest and expenses.

#### **8. FURTHER NOTICE OF ARREARS SALE**

- (1) Where, at the time set for an arrears sale, there are no bidders or the Town Clerk fails to sell the real property for the full amount of the arrears of taxes, water and sewer fees, local improvement fees, interest and expenses due, the Town Clerk shall:
  - (a) Adjourn the arrears sale until a date set by the Town Clerk that is not earlier than one week and not later than two weeks after the date on which the original arrears sale was scheduled.
  - (b) Serve notice of the date of the arrears sale set under paragraph (a) on a person entitled to notice under subsection 151(1) of the *Towns and Local Service Districts Act*.
  - (c) Publish a notice in accordance with Section 292 of the *Towns and Local Service Districts Act* that states that the arrears sale was adjourned and the time and place to which the arrears sale is adjourned; and
  - (d) Attempt to sell the real property at public auction.
- (2) The Town Clerk may sell the real property at the public auction for an amount that can be realized.

#### **9. ARREARS SALE SET ASIDE**

Where an arrears sale is set aside for an error, irregularity or other cause, the lien on the real property shall not, as a result of the error, irregularity or other cause be discharged but shall

continue for the same time as if the date of the setting aside was the date on which the arrears sale took place and the real property may again be sold unless the taxes, water and sewer fees, local improvement fees, interest and expenses against it are paid.

#### **10. PROCEEDS OF ARREARS SALE**

- (1) The Town Clerk shall, from money received at an arrears sale, deduct the amount of taxes, water and sewer fees, local improvement fees, interest and expenses owing to the Town, at the time of the arrears sale.
- (2) Where there is a balance remaining after making the deductions under Section (1), the Town shall:
  - (a) Where the balance is less than \$200, pay the balance to the former property owner; or
  - (b) Where the balance is \$200 or more, pay the balance to the former property owner unless an application is made to the Supreme Court within 90 days of the auction by a person claiming entitlement to the balance and if an application is made, pay the balance to the Supreme Court.
- (3) Where paragraph (2)(b) applies, the Town shall immediately serve written notice on a person entitled to notice under subsection 151(1) of the Act, setting out the amount of the balance and the requirement to apply to the Supreme Court within 90 days of the auction to claim entitlement to the balance or a portion of the balance.
- (4) Where the former owner of the real property is unknown or cannot be located and there is a balance remaining after making the deductions under subsection (1), the Town shall pay the balance to the Supreme Court.
- (5) Payment of the balance to the Supreme Court under subsection (2) or (4) shall have the same effect as payment to the owner, and a judge of the Supreme Court, on the application of an interested person, may order the payment out of Supreme Court of the balance or a portion of the balance to the person entitled to it.

#### **11. FAILURE TO PAY**

Where the purchaser of real property at an arrears sale fails to immediately pay the Town Clerk or the Town's agent the amount of the purchase price of the real property; or deposit with the Town Clerk an amount equal to the amount of the taxes, water and sewer fees, local improvement fees, interest and expenses of the arrears sale for which the real property has been sold, the Town Clerk shall immediately re-offer the real property for sale at the public auction.

#### **12. FUTURE ASSESSMENTS**

- (1) Where real property has been sold by arrears sale, the real property shall be assessed to the purchaser or the purchaser's executors, administrators or assigns.
- (2) Where the Town is the purchaser, the real property shall be assessed to the Town.

13. VESTING OF REAL PROPERTY FOLLOWING ARREARS SALE

- (1) Where real property has been sold by arrears sale, the Town Council shall give to the purchaser a valid conveyance in the name of the Town signed by the Mayor and the Town Clerk, or a person appointed by the Council and sealed by the Town.
- (2) The conveyance referred to in subsection (1) shall:
  - (a) Be conclusive evidence that the provisions of the *Towns and Local Service Districts Act* with reference to the arrears sale of the real property described in that conveyance have been fully complied with, and everything necessary for the legal perfection of that sale has been performed; and
  - (b) Have the effect of vesting the real property in the purchaser, the purchaser's executors, administrators or assigns absolutely free from encumbrances except a claim of the Crown and an easement.

14. REVIEW AND AMENDMENTS

All sections of these Rules and Governing Procedures have been developed in accordance with the *Towns and Local Service Districts Act*.

This document is reviewed as required following new information or knowledge.

15. PUBLICATION

This By-law was published on the Town of Paradise website in 2025.

16. COMING INTO EFFECT

Under the *Towns and Local Services Districts Act*, Section 12, this By-law came into effect once adopted by Motion of Council (M25-355), voted on by a majority of the councillors in attendance at the Town Public Council Meeting on November 10, 2025.

IN WITNESS WHEREOF the Seal of The Town of Paradise has been here unto affixed, and this By-law has been signed by the Town Clerk and Mayor on behalf of the Council.

Town Clerk: 

Signed by:

Jerrilyn Smith

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Date: December 5, 2025 | 9:11:41 AM NST

Mayor: 

Signed by:

[Signature]

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Date: December 4, 2025 | 8:15:32 PM NST