



Title: Security Deposit Policy	Internal/External: Internal / External
Department: Corporate Services	Policy Number: CS-042
Approval Date: February 18, 2025	Implementation Date: February 18, 2025

BACKGROUND

In accordance with the *Urban and Rural Planning Act, 2000* and as per the Town's Development Regulations / By-laws, security deposits are required to be paid and held during the permitting and inspection process for a variety of work. The Town recognizes the need for a clear policy to define conditions and obligations with respect to such security deposits.

PURPOSE AND SCOPE

The purpose of this policy is to outline the Town's approach to managing the release of security deposits, as well as to establish the conditions under which deposits shall be forfeited and considered revenue by the Town. This policy applies to all security deposits paid to the Town with the exception of major subdivision security deposits.

POLICY STATEMENT

Individuals and businesses paying security deposits are responsible for understanding the conditions and guidelines outlined in this policy and on corresponding permits issued. This includes limitations with respect to their ability to reclaim deposits.

GUIDELINES

1. Security Deposit Conditions

- 1.1 Security deposits are paid and held by the Town to ensure work is completed in compliance with applicable conditions as set at the time specific permits are issued.
- 1.2 Security deposit amounts are based on work to be completed, and are set in accordance with the Town's Annual Fee Schedule at the time specific permits are issued.
- 1.3 Security deposits are held until conditions are met and the Town inspects and approves corresponding work (i.e., refundable upon satisfactory completion of permit conditions), at which time the deposit is approved for release.
- 1.4 Re-inspections due to premature requests or excessive deficiencies are subject to a specified fee to be paid by the applicant prior to the re-inspection. This fee shall not be taken from any security deposits and will be charged to the applicant at the discretion of the Town.

2. Unclaimed Security Deposits

- 2.1 Security deposits paid to the Town that are not claimed within six (6) years from the date of receipt (i.e., date the security was received) are forfeited to the Town and cannot be reclaimed.
- 2.2 The payment of security deposits does not constitute a fiduciary responsibility on behalf of the Town.
- 2.3 The Town is not responsible for notifying or reminding individuals and/or businesses of security deposit conditions outside of when a permit is first issued, and conditions are set.
- 2.4 All permits requiring a security deposit shall indicate that unclaimed security deposits are forfeit to the Town after a specified timeframe (see Section 2.1).
- 2.5 Any current unclaimed security deposits older than seven (7) years will be considered forfeit and will be recognized into revenue upon the seventh anniversary of the applicable receipt date.

REVISION HISTORY

Date Adopted by Council	February 18, 2025
Motion Number	M25-050

REVIEW OF POLICY

This policy may be subject to review given new experience or new knowledge.

APPROVAL

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Date: _____

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Mayor: _____

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Date: _____