

**Town of Garnish
ARREARS SALE BY-LAW**

BY-LAW	Page 1 of 6	Motion #: 25-025
Effective Date: April 23, 2025	Revision No.:	Revision Date:
Issued By: The Garnish Town Council	Date of Council Approval: April 22, 2025	
Topic: Arrears Sale		

Published by Authority

The following by-law has been made by the Town Council of Garnish under the provisions of Section 7(3) of the Towns and Local Service Districts Act.

Adopted by the Town Council of Garnish on the 22nd day of APRIL, 2025.

Mayor 

Town Clerk/Manager 

Arrears Sale By-Law

1. Title

This by-law may be cited as the Town of Garnish's Arrears Sale by-law, 2025

2. Interpretation/Definition

In this by-law unless the context otherwise requires:

- a. "Act" means the Towns and Local Service Districts Act;
- b. "Council" means the Town Council of the Town of Garnish;
- c. "Town" means the Town of Garnish;

3. Application

This by-law applies to the sale of any real property for which a notice of arrears has confirmed to be served in accordance with the *Towns and Local Service Districts Act of Newfoundland and Labrador*.

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4. Procedure

4.1 Resolution

The Town 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 Division and Leins and Arrears, Section 146 Notice of Arrears of the Towns and Local Service Districts Act of Newfoundland and Labrador.

4.2 Notice of Arrears Sale

- 4.2.1 The Town Clerk shall immediately upon receipt of a copy of the resolution referred to in 4.1 serve an owner, mortgagee, judgement creditor, lienholder, or other person having a charge or encumbrance upon or against the real property with written notice of the arrears sale.
- 4.2.2 A person who receives a notice under 4.2.1 may, within fourteen (14) days of service of the notice, file an appeal with the Town.
- 4.2.3 Where an appeal has not been filed under 4.2.2, the town clerk may advertise the real property referred to in the resolution for sale by public auction until a decision has been made with respect to the appeal.
- 4.2.4 Where an appeal has been filed under 4.2.2, the town clerk shall not advertise the real property referred to in the resolution for sale by public auction until a decision has been made with respect to the appeal.
- 4.2.5 An advertisement under this section shall be published in accordance with Section 292 of the Act or at least 30 days immediately before the date of the arrears sale.
- 4.2.6 It is sufficient in the notice and the advertisement to put the street and number of the real property, or to put another short reference by which the real property may be identified, together with a statement that a full description may be seen at the Town Clerk's office.

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4.3 Arrears Sale by Public Auction

- 4.3.1 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 fee, interest and expenses, unless the arrears of taxes, water fees, interest and the expenses incidental to those proceedings and the arrears all are then, or have been previously paid.
- 4.3.2 Where the real property referred to in the advertisement of the arrears sale is only a portion of the real property for which taxes and water fees are owed and the portion does not sell for a sufficient amount to satisfy the taxes, water 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 fees, interest and expenses.
- 4.3.3 The Town, by a town employee or agent, may bid for and purchase real property being sold to satisfy taxes, water fees, interest and other expenses due.

4.4 Further Notice of Arrears Sale

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 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 4.4.1 on a person entitled to notice under 4.2.1;
- c. Publish a notice in accordance with section 292 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.

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

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

4.6 Proceeds of Arrears Sale

- 4.6.1 The town clerk shall, from money received at an arrears sale, deduct the amount of taxes, water fees, interest and expenses owing to the town, at the time of arrears sale.
- 4.6.2 Where there is a balance remaining after making the deductions under, 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 ninety (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.
- 4.6.3 Where 4.6.2(b) applies, the town shall immediately serve written notice on a person entitled to notice under 4.2.1 setting out the amount of the balance and the requirement to apply to the Supreme Court within ninety (90) days of the auction to claim entitlement to the balance or a portion of the balance.
- 4.6.4 Where the former owner of the real property is unknown or cannot be located and there is a balance remaining after making the deduction under 4.6.2, the town shall pay the balance to the Supreme Court.
- 4.6.5 Payment of the balance to the Supreme Court under 4.6.2 or 4.6.4 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.

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4.7 Failure to Pay

Where the purchaser of real property at an arrears sale fails to immediately,

- a. Pay the town clerk or the town's agent the amount of the purchase price of the real property; or
- b. Deposit with the town clerk an amount equal to the amount of the taxes, water 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.

4.8 Future Assessments

- 4.8.1 Where the 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.
- 4.8.2 Where the town is the purchaser, the real property shall be assessed to the town.

4.9 Vesting of Real Property following and Arrears Sale

- 4.9.1 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 town council and sealed by the town.
- 4.9.2 The conveyance referred to in 4.9.1 shall:
 - a. be conclusive evidence that the provisions of the 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 purchasers, executors, administrators or assigns absolutely free from encumbrances except a claim of the Crown and an easement.

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4.10 Review

The Town shall, every two (2) year, conduct a review of this by-law and consider the areas which may be improved.

5. Repeal of Previous By-Laws and Amendments

None

6. Came into Effect

This by-law first came into effect on _____, 2025 through resolution of council #_____.