

# Disbursement of Proceeds From Tax Sale of Real Property

## *Real Property Tax Act* Section 16(7)

*This has been prepared for reference only.*

*If there is any conflict between the information contained herein and the statutes, the statutes shall prevail.*

A recent amendment to the *Real Property Tax Act* R.S.P.E.I. 1988 provides for municipalities to be reimbursed for outstanding sewer and water charges from the proceeds of a property tax sale:

- 16(7) All money received by the Minister as the proceeds of any sale of real property for overdue and unpaid taxes under this Act shall be disbursed in the following order of priority:
- (a) first, in payment of the expenses of advertising and sale;
  - (b) second, in payment of all tax arrears and all taxes owing on the real property and being unpaid to the date of sale and accrued interest thereon;
  - (c) third, in payment of the taxes as defined in clause 1(g) of the *Revenue Administration Act* R.S.P.E.I. 1988, Cap. R-13.2, owing to the province by the assessed owner of the property and being unpaid to the date of the sale;
  - (d) fourth, in payment of outstanding charges owing to a municipality or a municipal corporation
    - (i) pursuant to subsection 37(2) or 38(3) of the *Municipalities Act* R.S.P.E.I. 1998, Cap. M-13,
    - (ii) pursuant to subsection 28(1) or 29(3) of the *Charlottetown Area Municipalities Act* R.S.P.E.I. 1998, Cap. C-4.1, or
    - (iii) pursuant to subsection 28(1) or 29(3) of the *City of Summerside Act* R.S.P.E.I. 1998, Cap. S-9.1,where the municipality or municipal corporation has certified the amount owing prior to the sale of the property;
  - (e) fifth, to the person in whose name the tax was levied for the collection of which the sale was held under this Act. R.S.P.E.I. 1974, Cap. R-6, s.14; 1976, c.26, s.1; 1990, c.51, s.3; 2002, c.39, s.1. (eff. May 10/02)

To ensure the amendment has the desired results, municipalities should:

- (1) monitor the Royal Gazette and newspapers for advertisements of tax sales within their municipalities.
- (2) complete and deliver the attached form, prior to the date of the sale, to the lawyer conducting the sale.



Finance, Energy and  
Municipal Affairs  
Taxation and  
Property Records

## ***Request for Payment of Outstanding Sewer and Water Charges From Proceeds of a Property Tax Sale***

(Pursuant to subsection 16(7) of the *Real Property Tax Act* R.S.P.E.I. 1988)

Finance, Energy and Municipal Affairs  
Taxation and Property Records  
PO Box 880, Charlottetown, PE C1A 7M2

**Return prior to tax sale to:**

Lawyer Conducting Tax Sale  
(see *Notice of Tax Sale*)

**For more information:**

Tel: (902) 368 4161 Fax: (902) 368 6164

**[www.taxandland.pe.ca](http://www.taxandland.pe.ca)**

Email: [taxandland@gov.pe.ca](mailto:taxandland@gov.pe.ca)

<b>Section A – Municipality Information</b>		
Name of Municipal Corporation:		
Mailing Address:		
City/Town:	Province:	Postal Code:
Telephone:	Fax:	E-mail:

<b>Section B – Property Information</b>	
Property Number:	
Owner's Name:	
Civic Address:	
Date of Tax Sale: (mm/dd/yyyy):	Outstanding Charges: \$
Description of Charges:	

<b>Section C – Certification</b>	
<p>Pursuant to subsection 16(7) of the <i>Real Property Tax Act</i>, the municipal corporation hereby requests payment of outstanding sewer and water charges from the proceeds of the tax sale of the property.</p> <p>I certify that I am an authorized representative of the municipal corporation and the above information is true and accurate to the best of my knowledge.</p>	
<p>_____</p> <p>Name of Contact Person (please print)</p>	<p>_____</p> <p>Title</p>
<p>_____</p> <p>Signature</p>	<p>_____</p> <p>Date</p>