



## CHAPTER 91

An Act to amend the Act protecting small property and municipal and school credit by the consolidation of arrears of taxes

[Assented to, the 8th of April, 1938]

**HIS MAJESTY**, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

**1.** Sections 1, 2, 3, 4, 5 and 6 of the act 1 George VI, chapter 57, are repealed and replaced by the following: 1 Geo. VI, c. 57, ss. 1-6, replaced.

**“1.** In this act:

*a.* “municipal corporation” designates every municipal corporation, incorporated or governed by general law or by a special act; Interpretation: “Municipal corporation”;

*b.* “school corporation” means every corporation of school commissioners or of school trustees, and, generally every commission and every board incorporated for the administration of schools; “School corporation”;

*c.* “arrears of taxes” means and includes all unprescribed general or special municipal or school real estate taxes which have become due and exigible after the 31st of December, 1930, and prior to the 1st of January, 1938, including the interest upon such taxes, calculated to the date of the consolidation, and all costs, penalties and expenses attached thereto, incurred up to the same date, which are lawfully exigible; “Arrears of taxes”;

*d.* “ratepayer” designates any owner who, by reason of one or more immoveables held by him in ownership or in trust in any municipality, is held to the payment of real estate taxes and who has complied with the provisions of section 3. “Ratepayer”.

Consolidation of arrears of taxes authorized. **"2.** The arrears of taxes of any ratepayer who has conformed to the provisions of section 3 shall be consolidated counting from the date of the reception by the corporation of the notice provided under the said section 3.

Consolidation date. **"3.** Every ratepayer may consolidate his arrears of taxes prior to the 1st of September, 1938,

Giving of written notice. *a.* by giving to the municipal or school corporation, as the case may be, a written notice of his intention to consolidate his said taxes; and

Certain tax payments. *b.* by paying, if any be due, at the same time as he gives such notice, the unprescribed real estate taxes which became exigible prior to the 1st of January, 1931.

Consolidation of part of arrears. If he wishes to consolidate a portion only of his arrears of taxes, the ratepayer shall indicate in the notice the immoveable or immoveables with respect to which he intends to consolidate his arrears of taxes. In such case, the consolidation shall be made only for the arrears of taxes affecting such immoveable or immoveables.

Payment by instalments. **"4.** The arrears of taxes of any ratepayer who has conformed to the provisions of section 3 shall be payable by instalments in the manner contemplated in section 5.

Binding effect of consolidation. The municipal or school corporation shall be bound by the consolidation of the arrears of taxes effected in virtue of this act.

How instalments payable. **"5.** The arrears of taxes consolidated shall be payable in twenty-five equal and consecutive annual instalments, the first of which shall become exigible on the 1st of April, 1939, and the subsequent instalments on the same date of every subsequent year.

Payment in anticipation. Every ratepayer may pay in anticipation, wholly or partly, his arrears of taxes.

To constitute privileged claim. **"6.** The arrears of taxes, after the consolidation, shall continue to constitute a privileged claim upon the immoveable or immoveables charged with the payment of such taxes."

1 Geo. VI, c. 57, s. 8, am. **2.** Section 8 of the said act is amended by replacing the second paragraph thereof by the following:

Payment of interest. "Such interest shall be payable at the same time as the annual instalment contemplated in section 5."

1 Geo. VI, c. 57, s. 9, am. **3.** Section 9 of the said act is amended by striking out the words: "which has enacted provisions for the consolidation of the arrears of taxes", in the first, second and third lines of the first paragraph thereof.

**4.** Section 10 of the said act is amended by replacing the number: "1937", in the sixth line thereof, by the number: "1938". 1 Geo. VI, c. 57, s. 10, amended.

**5.** Section 13 of the said act is repealed and replaced by the following: Id., s. 13, replaced.

**"13.** In every instance in which an immoveable is put up for sale for failure to pay taxes or consolidated arrears of taxes, the ratepayer may stop the sale by paying his taxes which are due, the instalments exigible on his arrears of taxes consolidated, with interest, and the costs of the proceedings." Stopping of sale for taxes.

**6.** Section 14 of the said act is repealed and replaced by the following: 1 Geo. VI, c. 57, s. 14, replaced.

**"14.** The sale of an immoveable, even a sale having the effect of a sheriff's sale, shall not affect the consolidation of the arrears of taxes with which it is charged and the purchaser and every subsequent acquirer shall continue to benefit from the consolidation, and the instalments not yet due, contemplated in section 5, shall not become exigible by the seizure and sale of the immoveable and shall not be entered in the collocation roll. In such latter case, the said instalments shall continue to affect the immoveable." Consolidation of taxes not affected by sale.

**7.** Section 15 of the said act is repealed and replaced by the following: 1 Geo. VI c. 57, s. 15, replaced.

**"15.** Every corporation shall keep a special register in which shall be entered the surname and Christian names of each ratepayer who has consolidated arrears of taxes, his address, the description of each immoveable charged with the taxes consolidated, the total amount of such arrears of taxes and the amount which each ratepayer shall pay each year." Keeping of special register by corporation.

**8.** Section 17 of the said act is repealed and replaced by the following: 1 Geo. VI, c. 57, s. 17, replaced.

**"17.** For the purposes of the act 1 Edward VIII (2nd Session), chapter 37, the arrears of taxes consolidated in virtue of this act shall be deemed to be paid, except the instalments which have matured." Application of "moratorium act".

**9.** Sections 19, 20 and 21 of the said act are repealed and replaced by the following: 1 Geo. VI, c. 57, ss. 19-21, replaced.

In event of subrogation.

**“19.** Any ratepayer may consolidate, in virtue of this act, with the same effect as if they were due to the municipal or school corporation, as the case may be, the arrears of taxes paid on his account and with subrogation by a third party, by following the same formalities as if such taxes were due to the corporation itself and by stating in his notice to the latter the surname, Christian names and address of the subrogated third party.

Remitting to party subrogated.

In such case the corporation must remit to the subrogated third party the amount of each annual or anticipated instalment contemplated under section 5, within thirty days of the receipt thereof from the owner.

Rights of party subrogated.

The subrogated third party shall be, with respect to the arrears of taxes contemplated in this section and with respect to his recourse against the owner, in the same situation as the corporation would be if it had remained creditor of the said arrears of taxes.

Arrears and certain loan.

**“20.** If the corporation contracts a loan under section 9, it must include in the amount of such loan the arrears of taxes paid with subrogation and consolidated in virtue of section 19, less the amount of the annual or anticipated instalments remitted to the subrogated third party in conformity with the second paragraph of section 19 before the realization of the loan.

Remittance to subrogated third party.

The corporation shall then, within thirty days of the realization of its loan, remit to such third parties the amounts for which they have become subrogated, or, as the case may be, the balance owing to them upon such amounts.

Provisions re subrogation.

**“21.** The provisions of sections 19 and 20 shall apply to the arrears of taxes paid with subrogation before as well as after the 8th of April, 1938.”

Annulling of prior tax consolidations.

**10.** The consolidations of arrears of taxes effected before the coming into force of this act, under the authority of the act 1 George VI, chapter 57, are annulled and the balance of such arrears shall become exigible.

New consolidation provisions.

The owners or ratepayers whose arrears of taxes have been so consolidated may consolidate them anew under the provisions of the said act 1 George VI, chapter 57, as amended by this act.

Loans authorized in event of different amounts only.

Whenever a municipal or school corporation has contracted a loan for the purpose of consolidation of arrears of taxes prior to the coming into force of the present act, it cannot contract other loans for the same purposes, except in the case where the amount of the arrears of taxes con-

solidated after the coming into force of this act exceeds that of the first consolidation, in which case it may borrow the amount required to make good the difference between the two consolidations.

**11.** The proceedings had in virtue of the provisions of sections 13 and 14 of the act 1 George VI, chapter 57, as they existed prior to the coming into force of the present act, are annulled, and the costs occasioned by such proceedings are assimilated to taxes affecting the immoveables advertized for sale. Proceedings annulled. Costs.

The provisions of this section shall be in effect as from the 7th of April, 1938. Application of section.

**12.** This act shall come into force on the day of its sanction. Coming into force.

