



CHAPTER 57

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

[Assented to, the 27th of May, 1937]

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

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 municipal or school taxes imposed upon the immoveables of the municipality and which have become due and exigible after the 31st of December, 1930, and prior to the 1st of January, 1937, including the interest upon such taxes calculated to the date of the receiving of the notice contemplated in section 3, and all costs, penalties and expenses attached thereto, incurred up to the same date, which are lawfully exigible; "Arrears of taxes";
- d. "owner" designates any ratepayer who has complied with the provisions of section 3 of this act. "Owner".

2. Every municipal corporation and every school corporation may, within six months from the coming into force of this act, by resolution, enact provisions for Consolidation of arrears of taxes authorized.

the consolidation of the arrears of taxes due to such corporation.

Procedure
by rate-
payer desir-
ing to conso-
lidate taxes:

3. Within two months from the adopting of a resolution by a municipal corporation or by a school corporation in virtue of section 2, every ratepayer desiring to consolidate his arrears of taxes must:

Giving of
notice.

1. give, to the corporation which adopted such resolution, a written notice of his intention to consolidate his arrears of taxes;

Making of
certain pay-
ment.

2. pay, if any be due, at the same time as he gives such notice, the real estate taxes imposed by such corporation and which have become exigible since the 1st of January, 1937, inclusively, and those due and exigible prior to the 1st of January, 1931, and not prescribed.

Consolida-
tion and
payment.

4. 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 sub-paragraph 1 of section 3, and shall be payable by annual instalments in the manner provided in section 5.

No other
instalments.

When an owner conforms to the provisions of section 5, the municipal or school corporation may require from him no instalments upon his arrears of taxes other than those provided for in the said section 5.

Yearly pay-
ment by
owner.

5. The owner must pay each year, at their date of exigibility, the real estate taxes due for the current year to the corporation which has enacted provisions for the consolidation of the arrears of taxes in virtue of section 2, and further pay to the said corporation an additional sum equivalent to twenty per cent of the amount of the real estate taxes imposed according to the last valuation roll in force prior to the consolidation.

Imputation
of additional
sum.

The said additional sum shall be imputed each year on account of the arrears of the owner's taxes until entire payment thereof.

Amount of
certain ins-
talment.

If such imputations are insufficient to extinguish the total amount of the arrears of taxes in a period not exceeding twenty-five years, the twenty-fifth instalment must be sufficient to pay the balance of such arrears.

Payment in
anticipa-
tion.

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

Upon the failure of any owner to pay, each year, within three months from the date of exigibility, the taxes for the current year, the additional sum provided for in section 5 and the interest provided for in section 8, he shall lose the benefit of the period allowed for payment and all his arrears of taxes shall become due and exigible at the expiration of such three months and shall then constitute, notwithstanding any prior sale having the effect of a sheriff's sale, a privileged debt on the immoveable the same as in the case of taxes. If owner fails to meet obligations.

6. Each instalment due upon such arrears in virtue of section 5 shall constitute, counting from the date of its exigibility, notwithstanding any prior sale having the effect of a sheriff's sale, a privileged debt upon the immoveable the same as in the case of taxes. To constitute privileged debt.

The total amount of the consolidation of taxes authorized by this act shall have and shall be deemed to have always had a privilege upon the immoveable the same as in the case of municipal taxes themselves. Privilege upon immoveable.

7. Prescription shall not run upon the arrears of taxes counting from the date of their consolidation; it shall run upon each instalment contemplated under section 5 counting from the date of its exigibility. Prescription.

8. Arrears of taxes consolidated in virtue of this act shall bear interest at the rate of five per cent per annum counting from the date of the reception by the corporation of the notice mentioned in section 3. Rate of interest on consolidated arrears.

Such interest shall be payable annually at the same date as the current year's taxes and the additional sum mentioned in section 5. When payable.

9. Every municipal or school corporation which has enacted provisions for the consolidation of the arrears of taxes is authorized to borrow an amount not exceeding the total of its consolidated arrears of taxes, in accordance with the formalities prescribed by the laws governing it, saving the derogations hereinafter provided. Loan authorized.

The loan shall be effected by means of an issue of bonds or debentures bearing interest at a rate not exceeding five per cent per annum and repayable within a period not exceeding twenty-five years. How effected.

Promissory
notes.

Such loan may also be effected by promissory notes which may be renewed from time to time, provided that the amount of the renewals at no time exceed that of the original notes; such notes or renewals may also be replaced by an issue of bonds or debentures.

Approval for
loan by-law.

Any by-law, in the case of a municipal corporation, and any resolution, in the case of a school corporation, enacting a loan in virtue of this act must, to have effect, be approved by the Quebec Municipal Commission and by the Minister of Municipal Affairs, Trade and Commerce but shall not require the approval of the elector-proprietors.

Loan by-law
approval in
certain ca-
ses.

In the case of the corporations mentioned in sub-paragraphs *a*, *b* and *c* of paragraph 3 of section 2 of the Quebec Municipal Commission Act (Revised Statutes, 1925, chapter 111A as enacted by the act 22 George V, chapter 56, section 1), the approval of the Montreal Metropolitan Commission replaces that of the Quebec Municipal Commission.

Borrowing
power not
affected.

The borrowing power granted to the municipal and school corporations in virtue of this section shall not affect that granted to them by the previous laws governing them.

Disposal of
proceeds of
loan.

10. The proceeds of the loan contemplated under section 9 must firstly be used for the reimbursement of the temporary loans, if any there be, contracted by the corporation while awaiting the collection of its taxes, then for the payment of its other debts exigible on the 1st of January, 1937, and the surplus, if any there be, shall be paid into the general funds of the corporation.

Depositing
of sums de-
rived from
instalments.

11. The sums arising from the annual instalments or the instalments paid in anticipation, contemplated under section 5, including the interest or revenues derived therefrom, must be deposited in a bank, in a special savings account, or invested in stock or debentures of the Dominion of Canada or of the Province of Quebec.

Use of such
sums.

Such sums must be used exclusively for the repayment of the loan contemplated under section 9.

Short term
loan author-
ized.

12. Whenever the total amount of the sums contemplated under section 11 is insufficient to pay the loan at its maturity, the corporation is authorized to

borrow for a period not exceeding twelve months the amount required to complete such repayment.

13. The secretary-treasurer or, as the case may be, the clerk of the corporation must, in the case of the last paragraph of section 5, under penalty of a fine of not less than twenty-five dollars nor more than one hundred dollars, proceed to the sale of the immoveable or immoveables of the owner which are subject to the privilege of the corporation, by public auction, at the office of the corporation, according to the provisions of section 14.

14. Within the fifteen days following the delay of three months provided under the last paragraph of section 5, the secretary-treasurer or the clerk, as the case may be, shall give a public notice of the day and hour at which the sale will take place.

Sections 550, 551, 551a and 552 to 567 of the Cities and Towns' Act (Revised Statutes, 1925, chapter 102) shall apply, *mutatis mutandis*, to such sale.

15. Every corporation which enacts provisions for a consolidation of arrears of taxes in virtue of this act shall keep a special register in which shall be entered the surname and Christian names of each owner, his address, the description of each immoveable charged with the taxes consolidated, the amount of the arrears of taxes and the amount which such owner pays each year.

16. Any member of a municipal council or of a school commission or board directly or indirectly infringing the provisions of sections 10 or 11 shall be personally responsible to the corporation for any sum of money used or invested otherwise than as provided in the said sections and shall be in addition liable to a fine of not less than one hundred dollars nor more than five hundred dollars and, in default of payment of such fine and of the costs, to an imprisonment of one month to three months.

17. For the purposes of the act 1 Edward VIII (2nd Session), chapter 37, called "moratorium act", the arrears of taxes consolidated in virtue of the present act shall be deemed to be paid, as long as the owner be not in default according to the stipulations of the last paragraph of section 5.

Application
of s. 17.

18. The provisions of section 17 shall apply to every owner who has received prior to the coming into force of this act a notice under the act 23 George V, chapter 99, or the amendments thereto, or under the act 1 Edward VIII (2nd Session), chapter 37.

Moratorium
act.

Within thirty days from the coming into force of this act, such owner may avail himself of the provisions of section 3 of the said act 1 Edward VIII (2nd Session), chapter 37, even in the case where his creditor has followed up his notice by a suit, but in such case the costs of the suit shall be borne by the owner if such suit was brought prior to the 15th of April, 1937.

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 subro-
gated.

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

Rights of
party subro-
gated.

The subrogated third party shall be, with respect to the arrears of taxes contemplated herein 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. The arrears of taxes contemplated in section 19 are included in the loan which the corporation may make in virtue of section 9.

Remittance
to subro-
gated third
party.

The corporation shall, within thirty days of the realization of its loan, remit to the subrogated third party the amounts such party has paid to the corporation for the ratepayer.

Provisions
re subroga-
tion.

21. All the sections of this act respecting the subrogation of municipal and school taxes shall take effect counting from the 15th of April, 1937.

Coming
into force.

22. This act shall come into force on the day of its sanction.