



BACKGROUNDER

PROPOSED CHANGES TO PROPERTY TAX RULES: WHAT YOU NEED TO KNOW

WHY IS THE GNWT MAKING CHANGES?

The Government of the Northwest Territories is updating the *Property Assessment and Taxation Act* to make property taxation fairer, clearer, and more consistent. These changes will help communities manage unpaid property taxes (called tax arrears) and make the rules easier for everyone to understand.

WHAT IS THE PROPERTY ASSESSMENT AND TAXATION ACT?

This law sets out:

- how properties are assessed and taxed in the NWT;
- what happens when property taxes are not paid; and
- how municipal governments can recover unpaid taxes, including selling properties at public auction.

WHAT ARE THE TWO MAIN PROPOSED CHANGES?

BREAKING THE CYCLE OF UNSOLD PROPERTIES

Current situation:

If a property does not sell at a tax auction, it goes back on the Tax Arrears List. Unpaid taxes and interest keep growing, and the property may stay neglected for years.

Proposed change:

Municipal governments could apply to the Supreme Court to take ownership after a failed auction. This would help resolve tax arrears and reduce risks from abandoned or unsafe properties.

REMOVING POST-SALE REDEMPTION AND APPEAL RIGHTS

Current situation:

After a property sells at auction, the owner (or others) can pay off the debt or challenge the sale within 30 days. This creates delays and uncertainty for buyers and municipalities.

Proposed change:

The sale would be final at the auction, with no 30-day redemption or appeal period. This would make the process faster and more predictable.

OTHER PROPOSED CHANGES TO THE PROPERTY ASSESSMENT AND TAXATION ACT

In addition to breaking the cycle of unsold properties and removing post-sale redemption rights, Phase II includes several other updates:

- **Tax relief for damaged or destroyed property:** Councils could approve property tax reductions through a motion instead of passing a bylaw, making the process faster while still ensuring accountability.
- **Electronic notices:** Property owners could choose to receive tax notices electronically (such as by email) instead of by mail, making communication more convenient.
- **Flexible advertising:** Municipalities could have more options for advertising tax auctions, beyond the current requirement to publish in local newspapers, allowing for modern and cost-effective methods.

These changes are designed to:

- simplify administrative processes for municipal governments;
- give property owners more convenient options for receiving information; and
- make the legislation clearer and easier to follow.

WHY YOUR FEEDBACK MATTERS

These changes affect how property tax rules work in the NWT. Your input will help make sure the system is fair, clear, and practical for residents and communities.

Take the survey now: <https://haveyoursay.nwt-tno.ca/updating-the-property-assessment-and-taxation-act>