

**Property Tax Arrears Program**

Mr. Speaker, the issue of property tax arrears has often been cited as a barrier for residents trying to purchase land, obtain a mortgage, or access various Government of the Northwest Territories programs. Frequently a significant portion of these arrears are attributable to interest charged on outstanding debt. The impact of this interest compounds over time and can leave residents with significant challenges to recover.

To address the issue of accumulated arrears, the government has established the Property Tax Arrears Program. This program is designed to provide property tax interest relief to residents of the General Taxation Area who have property tax or residential lease arrears in excess of 24 months. This program does not apply to Municipal Taxation Area property taxes as those are the responsibility of the tax-based municipal governments.

In order to qualify for interest relief through the program, applicants will be required to enter into legal agreements that require the property holder to make agreed upon monthly payments on the principal owed on their property taxes. Remission or forgiveness of interest on arrears will be granted in installments when the property holder has met their financial obligations under the agreement.

To be clear there is no forgiveness of the principal owed for property taxes under this program, only on the interest calculated on arrears.

To illustrate the impact of the program, I will use the example of a homeowner who owes over \$34,000 in property tax arrears. This is comprised of about \$4,900 in taxes and approximately \$29,000 in interest. Should the homeowner choose to participate in the Property Tax Arrears Program, we would enter into an agreement to pay the \$4,900 in affordable monthly payments, and the \$29,000 in interest would be forgiven. This is not a unique circumstance.

I believe the Property Tax Arrears Program will provide a path forward for residents that want to address their current property tax arrears. This program, along with the *Standard Interest Rate Statutes Amendment Act*, should ensure these large accumulated property tax arrears are a thing of the past for most residents in the General Taxation Area.

The program is now being advertised and communications is being undertaken to advise residents of the program and how they can apply.

Thank you, Mr. Speaker.