

THE RURAL MUNICIPALITY OF PINEY

“Land Sales Policy”

Subject: Land Sales

Effective Date: May 29th, 2019

Replaces Policy: February 14th, 2018

Resolution No.: 147 **Resolution Date:** May 28th, 2019

PURPOSE

The purpose of the Land Sales Policy is to outline the policy to follow when dealing with RM land sales.

POLICY

Properties with Set Prices

- Several lots within R.M. subdivisions have prices set by resolution of Council;
- council may set prices by resolution whenever they deem necessary;
- any land with a price set by resolution of Council is not open for offers;
- an “Offer to Purchase – Land” is to be filled out and accompanied by a deposit in the amount of 2% of the set price in order to start the sale process;
- the purchaser is responsible for all costs which will include the set price, GST on set amount, land transfer fees, and the municipality’s legal costs; base cost of RM legal services will be fees of \$350.00 plus taxes, in cases where the purchaser does not use a lawyer; if the purchaser uses a lawyer (which will be required if getting a mortgage for the purchase), the fees will be \$600.00 plus taxes;
- once the RM receives a total from our lawyer, a letter will be sent to the purchaser stating the total costs owing to the RM, which must be in the form of a certified cheque or bank draft;
- the purchaser must have total payment to the RM of Piney on or before the agreed upon possession date; but
- except in the case of a mortgage, the mortgage proceeds will follow in due course.

Properties without Set Prices

- Properties that do not have a price set by resolution are open for offers;
- an “Offer to Purchase – Land” is to be filled out and accompanied by a deposit in the amount of 2% of the offered amount;
- Once the deposit and offer are received, the offer will be presented to council for their decision:
 - If the offer is accepted, the deposit amount will go towards the price offered;
 - If the offer is rejected, a cheque for the same amount as the deposit will be issued back to the purchaser within twenty-one (21) days from the date on the resolution;
- On accepted offers, the purchaser is responsible for all costs which will include the set price, GST on set amount, land transfer fees, and the municipality’s legal costs; base cost of RM legal services will be fees of \$350.00 plus taxes, in cases where the purchaser does not use a lawyer; if the purchaser uses a lawyer (which will be required if getting a mortgage for the purchase), the fees will be \$600.00 plus taxes;
- a preliminary letter will be sent to the purchaser within five (5) business days after a resolution is passed stating whether or not the offer was accepted; this letter will also state the process and an estimate of cost;
- Questions that must be asked of the purchase are:
 - Do you need a mortgage?
 - Do you have a gst #?
 - Will you be using your own lawyer?
 - Will you be using the property as farmland?
- once the RM receives a total from the lawyer, a final letter will be sent to the purchaser stating the total costs owing to the RM;
- payment must be in the form of a certified cheque or bank draft;
- the purchaser must have total payment to the RM of Piney on or before the agreed upon possession date; but
- except in the case of a mortgage, the mortgage proceeds will follow in due course.

- If multiple offers are received on the same parcel of land:
 - All offers received will immediately be rejected and;
 - a reserve price will be set by council using the highest offer received or at the determination of council;
 - a public notice will be posted on our website, Facebook, in office, and posted at a minimum of ten (10) locations/businesses within the RM;
 - once a reserve price is set, all offers MUST BE received by sealed bid only within a twenty-one (21) day period from the date on the resolution;
 - sealed bids must include the written offer and 2% deposit in the form of a certified cheque;
 - the envelope MUST include the bidders name, legal address, and date;
 - offers not presented in sealed envelope will automatically be rejected; and
 - if no sealed bids are presented during the twenty-one (21) period, the land will be taken off sealed bid and any offers presented after that time will follow this policy.

- Other Policies that pertain to offers for purchase or sale of property remain in effect.