



TAX ENFORCEMENT- FARM DEBT MEDIATION ACT

Federal legislation, being Section 21 of *The Farm Debt Mediation Act* (FDM Act), requires municipalities, as a secured creditor, to serve a “Notice of Intent to Realize on Security” on farmers with a copy to the Farm Debt Mediation Service. The service is to be made to the farmer when undertaking tax enforcement proceedings. This Act applies to all property owned by the farmer regardless of where it is located and its use. The sole determining factor in applying this provision of the FDM Act is whether or not the owner of property involved in the tax enforcement process is a farmer.

A “farmer”, as defined in the FDM Act, means any individual, corporation, cooperative, partnership or other association of persons that is engaged in farming or commercial purposes and that meets any prescribed criteria.

When Rural and Urban Municipalities are proceeding under *The Tax Enforcement Act*, it is recommended to serve the “Notice of Intent to Realize on Security” either just before or at the same time as the six month notice.

In the case where the farmer makes payment arrangements and defaults, another Notice of Intent to Realize on Security must be served. This does not affect the tax enforcement timeline unless the farmer files for a Stay of Proceedings with Farm Debt Mediation Service.

Service of this notice must meet the requirements of the FDM Act. Notice must be served on the owner by registered mail or courier. It is deemed to be served after seven days. It is important to use the most current form. The copy of the Notice of Intent to Realize on Security to Farm Debt Mediation Service may be faxed or posted by regular mail.

Questions or comments about this bulletin can be directed to a municipal advisor by calling 306-787-2680.