



## Hotsheet

### Realty Tax Alternatives

Where the municipality will **not** provide verbal responses or printouts of the municipality's tax records for the property, the following are satisfactory for the purposes of obtaining a TitlePLUS<sup>®</sup> policy<sup>1</sup>:

1. a receipted tax bill;
2. confirmation that the prior lender has been paying the taxes, for example, if it is clear from the discharge statement that a tax account has been maintained; or
3. an unqualified statutory declaration from the vendor that all prior years' taxes have been paid, that charges for local improvements (if any) are paid up-to-date and that the status of tax payments for the current year is accurately set out on the Statement of Adjustments; PLUS an undertaking to re-adjust from the vendor.

Where the municipality provides verbal responses, a verbal clearance is acceptable for our purposes, provided you:

- obtain the full name and telephone number of the party giving the verbal response;
- note the date and time the response was given;
- check **both** the status of past years' taxes and the current year's account;
- check local improvement charges where necessary based on the practice of the municipality.

Where you are dealing with a new house or condominium and the realty taxes have not yet been separately assessed, it is sufficient for TitlePLUS purposes to obtain the builder's undertaking to pay the taxes to the date of closing, once they are separately assessed. Ensure that the adjustment matches the method set out in the Agreement of Purchase and Sale.

<sup>1</sup> The TitlePLUS policy is underwritten by Lawyers' Professional Indemnity Company.

<sup>®</sup> Registered trademark of Lawyers' Professional Indemnity Company.

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