



FINANCIAL SERVICES

TO: Council

DATE: April 11, 2023 **DIVISION:** All

FILE: N/A

SUBJECT: Amendments to Late Tax Payment Penalty Cancellation Policy C-204

POLICY DIRECTION:

Section 347(1) of the *Municipal Government Act* (MGA) states that Council may cancel, reduce, refund, or defer property tax if it is equitable to do so. Additionally, section 203 of the MGA prohibits Council from delegating this power to Administration.

EXECUTIVE SUMMARY:

The Late Tax Payment Penalty Cancellation Policy C-204 establishes a uniform and consistent approach for Council to address late tax payment penalty cancellation requests from County landowners.

On February 7, 2023, Council approved Tax Penalty Bylaw C-8358-2023 which outlines a new penalty structure as follows:

- Four per cent (4%) of the outstanding current year tax amounts applied on July 1;
- Four per cent (4%) of the outstanding current year tax amounts applied on September 1;
- Four per cent (4%) of the outstanding current year tax amounts applied on November 1;
- Twelve per cent (12%) of the total outstanding tax amounts applied on January 1.

The proposed amendments to Policy C-204 will align the policy with the timeframes in Tax Penalty Bylaw C-8358-2023, and create a clear and consistent understanding of the required payment needed to submit a penalty cancellation request. A detailed description of the proposed amendments are as follows:

Proposed Amendment	Reasoning
Amend to require a taxpayer to make a tax penalty cancellation request within <u>30</u> days instead of <u>60</u> days of the date when the related penalty was applied to the tax account.	<ul style="list-style-type: none"> • To bring Policy C-204 in alignment with the dates of the penalty structure as per Tax Penalty Bylaw C-8358-2023.
Amend that payment of the total <u>outstanding balance</u> is required, instead of <u>payment of the amount of the outstanding penalty</u> .	<ul style="list-style-type: none"> • To clarify requirements for a late tax payment penalty cancellation request to be considered by Council.

ADMINISTRATION RECOMMENDATION:

Administration recommends approval in accordance with Option #1.

BUDGET IMPLICATIONS:

There are no budget implications at this time.

Administration Resources

Issy (Isedua) Agbonkhese, Financial Services

OPTIONS:

Option #1: THAT the Late Tax Payment Penalty Cancellation Policy C-204 be approved as amended as per Attachment 'A'

Option #2: THAT alternative direction is provided.

Respectfully submitted,

Concurrence,

"Kent Robinson"

"Dorian Wandzura"

Executive Director
Corporate Services

Chief Administrative Officer

ATTACHMENTS:

ATTACHMENT 'A': Proposed Late Tax Payment Penalty Cancellation Policy C-204

ATTACHMENT 'B': Red-lined version of Late Tax Payment Penalty Cancellation Policy C-204

ATTACHMENT 'C': Current Late Tax Payment Penalty Cancellation Policy C-204