



FINANCIAL SERVICES

TO: Council
DATE: April 13, 2021
FILE: 0785
SUBJECT: Credit Card Payments for Taxes

DIVISION: All
APPLICATION: N/A

POLICY DIRECTION:

On April 28, 2020, the following Motion Arising was carried:

MOVED by Councillor McKylor that Administration be directed to explore offering payment of property taxes, whether monthly or annually, via credit card to support the timely payments of property taxes using a new payment method, including a service fee to ensure the County's taxes remain whole. This report should come back to Council on June 9, 2020.

On June 9, 2020, Administration presented a report to Council, and the following motion was carried:

MOVED by Deputy Reeve Schule that the report be received for information and that an update come back to Council by the end of October, 2020.

On October 27, 2020, Administration presented a report to Council regarding the acceptance of credit cards for tax payments, and the following motion was carried:

"THAT this report be accepted for information and that Administration provide an update to the inclusion of credit card payments for property taxes to Council on or before the end of March, 2021."

EXECUTIVE SUMMARY:

In accepting credit cards for property tax payments, two systems must be considered, as each system has impacts on who is responsible for the transaction fees.

Administration is requesting Council direction to bring back a budget adjustment; there are three options, as follows:

- 1) Increase service charges by \$1,036,000.00 to absorb transaction fees to accept credit card payments through the front counter hand held terminals;
- 2) Approve \$50,000 to implement an IT solution based system to process credit through our online platform only.
- 3) Implement both platforms, thereby requesting a budget adjustment of \$1,086,000.00

ADMINISTRATION RECOMMENDATION:

Administration recommends approval in accordance with Option #1.

BACKGROUND:

The two individual options to consider are in-person - hand-held terminals, and online accessibility:

In person – hand held credit card terminal

As previously presented to Council, Rocky View County would be responsible for any credit card transaction fees processed through a hand held terminal and would be unable to charge the fee back to the rate payer; this is confirmed with the credit card companies (Visa, MasterCard) as

Administration Resources

Barry Woods, Financial Services



presented in Attachment 'A'. This charge would form part of Rocky View County's service charges cost, and would increase the current 2021 budget of \$64,000 to approximately \$1,100,000. As more than 50% of the property taxes relate to external requisitions, the County would be paying for those transaction costs.

Online only

Credit cards used to pay property taxes online can have the transaction fee charged directly to the rate payer, thereby having no effect on other rate payers that do not use this method. The County currently uses an online provider that charges a transaction fee directly to the rate payer utilizing this system; however, there is no integration into the County's financial system. Administration has sourced an IT provider to implement this system and has obtained a quote of \$50,000 for this service.

BUDGET IMPLICATIONS:

There are significant budget implications associated with this service; there would be a \$1,036,000 increase in service charges related to acceptance of credit card payments at the front counter, and/or a \$50,000 cost for online IT system implementation.

COMMUNICATIONS PLAN:

If either or both systems are implemented, a detailed communication plan would have to be developed to ensure rate payers understand the two different types of payment methods.

OPTIONS:

- Option #1: THAT Administration be directed to bring back budget adjustments by the end of May 2021 for Council's consideration to begin the process of accepting property tax payments by credit card.
- Option #2: THAT alternative direction be provided.

Respectfully submitted,

Concurrence,

"Kent Robinson"

"Al Hoggan"

Executive Director
Corporate Services

Chief Administrative Officer

BW/rp

ATTACHMENT 'A' – Credit card rules on surcharges