



## STAFF REPORT

**Title:** Bylaw No. 752-FN-22 - Tax Installment Payment Plan Bylaw

**Meeting Date:** June 14, 2022

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### **Executive Summary:**

Section 340 of the *Municipal Government Act* authorizes municipalities to pass a bylaw to permit taxes to be paid by instalments, at the option of the taxpayer. In this regard, on December 3, 1996, Council passed Bylaw No. 003-FN-96 Tax Instalment Payment Plan to authorize the payment of property taxes through a pre-authorized payment plan.

Administration has received feedback from the public and reviewed the bylaw to modernize the tax installment payment option (TIPP). Administration has prepared Bylaw No. 752-FN-22 Tax Installment Payment Plan for Council's consideration to replace Bylaw No. 003-FN-96.

### **Background:**

The City currently has 1593 residents enrolled in the TIPP, approximately 24% of all tax accounts. The TIPP program allows residents to pay their taxes in instalments rather than one large payment in June.

With the original TIPP program authorized in 1996, and with no amendments to the program passed since that time, Administration conducted a full review of the program, considered feedback received from the public over the years as well as researched other municipal TIPP programs across the province.

Specifically, Administration surveyed fifteen (15) municipalities in Alberta, finding that:

- Only four (4) other municipalities have a deadline to apply to their tax instalment payment plan, the remainder allow residents to sign up for a monthly payment plan anytime during the year so long as they do not have any tax arrears owing from previous years.
- Out of the municipalities that have no deadline, approximately half of the municipalities require a resident to make a payment on a prorated basis to the date of enrollment based on prior year taxes or on the taxes that have been levied if application is made after the end of May. For example, if you join on May 1, you need to make up the payments for January, February, March and April and your first monthly TIPP's payment would be on May 15<sup>th</sup>.
- The Cities of Edmonton and Calgary apply a 2% late filing fee on these 'missed' payments.



- The remaining half of municipalities allow a resident to sign up at any time during the year and do not require them to make up the missed payments to the date of sign up, the total levy is spread out among the remaining months.

Administration has received feedback from taxpayers that they would like to be able to make application to the TIPPS program at any time during the year. To date, in accordance with the City's policy, Administration has had to refuse interested applicants to the TIPPS program who request to join the program after the February 28<sup>th</sup> deadline date (with the exception that new property owners have a 30-day time period to sign up to TIPPS).

Administration has chosen not to include a late filing fee for months prior to the individual signing up for the TIPPS program. Administration sees value to having as many property owners on the TIPPS program as would like to participate as the regular tax instalment payments mean that the individual does not fall behind on their taxes. This saves Administration the time and processing of the tax recovery process.

Administration has prepared Bylaw No. 752-FN-22 to modernize the City's TIPP program. The new bylaw has the following significant changes:

- It allows taxpayers to sign up at any time during the year and choose if they would like to make up any missed payments at the time of application to the program or spread out the tax levy or estimated tax levy amongst the remaining months.
- It sets out specific requirements that applicants must meet in order to participate in the monthly tax installment program.
- Updates were made to refer to current legislation, improve readability and update outdated terminology.

Bylaw No. 752-FN-22 is presented for Council's consideration of first reading.

**Alternatives:**

That Council may consider the following options:

1. Council may give first reading to Bylaw No. 752-FN-22 the Tax Installment Payment Plan Bylaw.
2. Council may give first reading to Bylaw No. 752-FN-22 the Tax Installment Payment Plan Bylaw and direct Administration to make changes to the bylaw before second and third reading.
3. Council may defeat first reading of Bylaw No. 752-FN-22 the Tax Installment Payment Plan Bylaw.

**Recommended Action:**



That Council give first reading to Bylaw No. 752-FN-22, being the Tax Installment Payment Plan Bylaw.

**Budget Implications (Yes or No):**

No

**Submitted by:**

Kevin Nagoya, Chief Administrative Officer