

MEETING DATE: APRIL 25, 2023

BRIEFING NOTE - TO COUNCIL

SUBJECT

2023 PENALTY BYLAW FOR INFORMATION

RECOMMENDATION

THAT the County of Vermilion River direct administration to bring back Bylaw (Bylaw and Policy) to the next Council meeting

DETAILS

Background/ Discussion:

Administration will provide two options:

Option 1-Bylaw

Administration have attached a copy of Bylaw which shows some amendments to accommodate below changes:

1. Definition of Due Date
2. Definition of Payments
 - a. Handling of postal payment method
 - b. Handling of electronic payment method
3. Section about Rescinding Penalties

Option 2-Bylaw and Policy

Second option will be to create a policy to handle Penalty Cancellation. Policy is attached herewith for review and comments.



Below changes to bylaw is also attached for council's consideration:

1. Definition of Due Date
2. Definition of Payments (REMOVED FROM BY-LAW, DEFINED IN POLICY),
 - a. Handling of postal payment method
 - b. Handling of electronic payment method
3. Section about Rescinding Penalties
 - a. Refer to newly created policy

Discussion:

Points to be Considered during discussion,

- Option that adheres to the bylaw principle “encourage the Payment of Taxes in the year in which they are levied”
- Option that encourages payment of taxes to be made before the deadline to assist cashflow need for the municipal services
- Option that clearly defines circumstances where penalties can be cancelled
- Avoid the situation where tax payer has to exercise the right to come in front of the council and ask for tax relief,
- Option that provides the most effective and efficient time management for Council and Administration
 - Policies can be amended with council direction
 - Bylaw requires three readings for any amendment
- Option that establishes a uniform and consistent approach to address late tax penalty cancellation request
- Option that assists the Council in fulfilling their duty under MGA to provide direction which is equitable and fair to all of the County residents

ADDITIONAL DISCUSSION DETAILS

Following table shows the penalties for the surrounding municipalities.

	Penalty 1	Penalty 2	Penalty 3	Penalty 4	Penalty 5
County of Vermilion River	Jan 16 Penalty of 12% on all balance	Oct 1 Penalty of 8% of current year taxes only	none	none	none
County of Minburn	Feb 1 Penalty of 5% on all balance	Nov 1 Penalty of 12% on current year taxes only	none	none	none
Town of Vermilion	Jan 1 Penalty of 8% on all balance	Mar 1 Penalty of 4% on all balance	Jul 16 Penalty of 12% of current year taxes only	none	none
City of Lloydminster	Jan 25 Penalty of 5% on all balance	April 25 Penalty of 5% on all balance	July 25 Penalty of 3% on current years tax only	Sep 25 Penalty of 9% on all balance	Nov 25 Penalty of 5% on current year taxes

Should County of Vermilion River consider changing penalty percentage or how penalties are calculated?

Discussion-1: Does the County of Vermilion River have a need to change the penalty rate?

Discussion-2: Does the County of Vermilion River have a need to revise October 1 penalty on all balance instead of current year balance only?

Discussion-3: Does the County of Vermilion River have a need to introduce a new penalty on all outstanding balance? Current Penalty on all balance is in Jan only (i.e. Penalty for 2022 outstanding taxes will have penalty on Jan 2023 and then Jan 2024).

ATTACHMENTS

Option 1- Bylaw

Option 2-Bylaw and policy

Sample policy from City of Edmonton

Sample policy from Rocky View County

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REVIEWED BY: Viren Tailor

DATE: April 19 2023