

**THE CITY OF EDMONTON
BYLAW 19394
TAX PENALTY, INTEREST AND MONTHLY PAYMENT BYLAW**

Whereas, pursuant to sections 344 and 345 of the *Act*, Council may impose penalties on unpaid taxes at the rates set out in the bylaw, and pursuant to section 340 of the *Act*, may permit taxes to be paid by installments.

Edmonton City Council enacts:

PART I - PURPOSE, DEFINITIONS AND INTERPRETATION

PURPOSE	1	<p>The purpose of this Bylaw is to establish:</p> <ul style="list-style-type: none"> (a) the Due Dates for payment of Taxes; (b) the penalties to be imposed for failure to pay Taxes by the Due Date; (c) other penalties to be imposed; (d) the rate of interest to be applied on overpayments of Taxes; (e) the method to deal with any overpayment of Taxes; and (f) the terms under which Taxes may be paid in monthly installments.
DEFINITIONS	2	<p>In this Bylaw, unless the context otherwise requires:</p> <ul style="list-style-type: none"> (a) “Act” means the <i>Municipal Government Act</i>, R.S.A. 2000 Chap M-26; (b) “Additional Charges” are charges that are added to the Tax Roll in accordance with provincial legislation and includes, but is not limited to, charges added pursuant to sections 553, 553.1, and 553.2 of the <i>Act</i>, and section 21(4)(a) of the <i>Weed Control Act</i>, S.A. 2008, c. W-5.1;

	<p>(c) “Agreement” means an Agreement under this Bylaw to pay Taxes on a monthly basis by automatic bank withdrawal;</p> <p>(d) “Amended Tax” means notice of a Tax sent after the annual property Tax Notice that shows an increase to the amount of Tax that is charged on a property as a result of the issuance of an amended assessment notice;</p> <p>(e) “City” means the City of Edmonton;</p> <p>(f) “City Manager” means the Chief Administrative Officer of the City pursuant to Section 205 of the Act and includes a duly appointed delegate;</p> <p>(g) “Council” means the council of the City of Edmonton;</p> <p>(h) “Current Year” is the year specified in Schedule A to this Bylaw;</p> <p>(i) “Due Date” is the date or dates that a Tax is due to be paid to the City;</p> <p>(j) “Initial Payment” is a payment amount as calculated in Section 13 charged to a Taxpayer when a request is made after January 1 of the Current year to start monthly installment payments for that year;</p> <p>(j.1) “Leduc Annexed Residential Properties” are those properties annexed to the City of Edmonton pursuant to Order in Council 359/201 that are partly or fully classified as Residential properties pursuant to Section 297 of the Act; (S.2, Bylaw 19640 May 3, 2021)</p> <p>(k) “Previous Years” are the years specified in Schedule A to this Bylaw;</p> <p>(l) “Tax Arrears” means Taxes that remain unpaid after December 31 of the year in which they are imposed;</p> <p>(m) “Tax” includes property, business, business improvement area, special, supplementary, amended, local improvement, clean energy improvement, community revitalization levies, and all other taxes or Additional</p>
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		<p>Charges lawfully imposed pursuant to the Act or any other statute of the Province of Alberta and include dishonoured payment fees;</p> <p>(S.2, Bylaw 20578, January 1, 2024)</p> <p>(n) “Taxpayer” is the person liable to pay taxes as defined in sections 331 and 373 of the Act and includes an entity that has been authorized by a taxpayer to pay taxes to the City on behalf of the taxpayer, on a monthly basis or otherwise, and includes a mortgage holder;</p> <p>(o) “Tax Roll” is the tax roll maintained by the City in accordance with Section 327 of the Act.</p>
RULES FOR INTERPRETATION	3	<p>The following interpretation rules apply to this bylaw:</p> <p>(a) marginal notes and headings in this bylaw are for ease of reference only.</p>

PART II - PENALTIES ON UNPAID TAXES

DUE DATES	4	(1)	The Due Dates for annual property and business improvement area Taxes are set out in Schedule A.
		(2)	The Due Dates for any other Taxes and Additional Charges is the date shown on a notice provided to the Taxpayer outlining the Tax.
		(3)	Where the Due Date for the payment of Taxes falls on a weekend or holiday, the Due Date is deemed to fall on the next business date and no penalties shall be applied until the day after the deemed Due Date.
		(4)	Notwithstanding Section 4(1), the due date for the annual 2021 taxes for Leduc Annexed Residential Properties is December 31, 2021 and no penalties shall be charged on current taxes in 2021. (S.3, Bylaw 19640, May 3, 2021)

Attachment 2

PENALTY ON CURRENT TAXES	5	(1)	Any Taxes levied or applied to the Tax Roll for the Current Year and remaining unpaid after the Due Date, are subject to penalties at the rates set out in Schedule A, and these penalties shall be added to the Tax Roll for the Taxpayer.
		(2)	Despite subsection (1), in no case shall a penalty be imposed sooner than 30 days after a notice imposing a Tax is sent out to the Taxpayer.
		(3)	A property that has been approved for an Agreement and has made an Initial Payment shall not be charged penalties for any Tax as long as the Agreement is in place.
		(4)	Any payment of Taxes for the Current Year that is received by the City after the Due Date shall be deemed to be received by the Due Date if the payment is received by the City by mail and the envelope is stamped by Canada Post as being processed on or before the Due Date. (S.2, Bylaw 19868, January 1, 2022)
TAX ARREARS	6	(1)	Any Tax Arrears are subject to penalties at the rates set out in Schedule A and shall be added to the Tax Roll of a Taxpayer.
		(2)	For the purposes of subsection (1), Tax Arrears include accumulated penalties.
MONTHLY PENALTY	7		Where a monthly penalty is to be charged in accordance with Schedule “A”, this will be applied to the Tax Roll for the Taxpayer on the date indicated in Schedule “A”.
		8	For the purposes of sections 5, 6, and 7, penalties will not be compounded during the year.

PART III - OVERPAYMENT OF TAXES

INTEREST ON OVERPAYMENTS	9	<p>Where an overpayment exists on a Tax Roll of a Taxpayer, monthly interest will be applied at the rates set out in Schedule A, subject to the following conditions:</p> <p>(a) interest will be paid at the end of each month, and will only be applied on overpayments which have remained on the Tax Roll of the Taxpayer for the entire preceding month;</p> <p>(b) interest will not be applied on overpayments in excess of two times the annual tax levy for a property.</p>
REFUNDS ON OVERPAYMENTS	10 (1)	<p>Upon receipt of a written request from the Taxpayer, any overpayment plus accumulated interest, will be refunded to the Taxpayer.</p>
	(2)	<p>Despite subsection (1) a refund may be refused where a Tax Certificate under Section 350 has been issued on a property or where there is an outstanding balance on another Tax Roll of the Taxpayer.</p>
	(3)	<p>In no case shall an overpayment be repaid to a prior Taxpayer on a property for which Taxes have been overpaid if the property has sold or otherwise transferred, unless the prior Taxpayer has provided the written consent of the current Taxpayer to the City.</p>

PART IV - PAYMENT OF TAXES ON A MONTHLY BASIS

MONTHLY PAYMENT AGREEMENTS	11 (1)	<p>A Taxpayer may enter into an Agreement in a form acceptable to the City Manager to pay Taxes on a monthly basis for current and future taxation years.</p>
	(2)	<p>An Agreement will allow Taxes to be paid in monthly installments by automatic bank withdrawal on the first day of each calendar month.</p>

PROHIBITED AGREEMENT	12	The City shall not enter into an Agreement if on the date of application, the Tax Roll of the Taxpayer reflects Tax Arrears.
PARTIAL YEAR AGREEMENT INITIAL PAYMENT	13 (1)	<p>A Taxpayer that enters into an Agreement part way through a Taxation year and wants the Agreement to apply to the remainder of the Current Year must make an Initial Payment in an amount calculated by adding:</p> <ul style="list-style-type: none"> (a) the total of any monthly installment payments that would have been due prior to the commencement of the Agreement; (b) any penalties imposed according to Part II of this Bylaw; and (c) any Additional Charges that have been imposed on the Tax Roll.
	(2)	In addition to the Initial Payment made under subsection (1), a late payment penalty must be paid on the amount outlined in section 13(1)(a) at the rate set out in Schedule A.
	(3)	When a Taxpayer requests the City to enter into an Agreement near the end of any given month, the City may delay the commencement of the Agreement until the end of the following month and adjust the Initial Payment as necessary.
TIMING OF INITIAL PAYMENT	14 (1)	A Taxpayer may make the Initial Payment at the same time as the first monthly installment payment is due under the Agreement.
	(2)	Despite subsection (1), where the City has delayed the commencement of an Agreement in accordance with Section 13(3), the Initial Payment must be made prior to a penalty applying pursuant to Schedule “A” to avoid that additional penalty.

<p>END OF YEAR SUPPLEMENTARY TAX AGREEMENTS</p>	<p>15 (1)</p>	<p>An Agreement may allow a supplementary Tax levy that is billed after September 1 of the Current Year, and which reflects supplementary months greater than the number of months remaining in the year, to be extended into the following year, but the supplementary Tax must be paid no later than June 1 of the following year.</p>
<p>END OF YEAR AMENDED TAX AGREEMENTS</p>	<p>(2)</p>	<p>An Agreement may allow an Amended Tax that is billed after September 1 of the Current Year to be extended into the following year, but the Amended Tax must be paid no later than June 1 of the following year.</p>
<p>PAYMENTS BEFORE ANNUAL TAX BYLAW</p>	<p>16 (1)</p>	<p>Any Taxpayer that has entered into an Agreement must, on an annual basis, be sent information about the monthly installment payments that will be charged for the following year.</p>
	<p>(2)</p>	<p>The City Manager shall base the monthly installment payments under subsection (1) on 1/12th of the actual Taxes from the prior year, or 1/12th of the estimated Taxes for the upcoming year.</p>
<p>ADJUSTMENT OF PAYMENTS</p>	<p>17 (1)</p>	<p>Once a Bylaw of the City has been approved establishing tax rates for the Current Year, the monthly installment payment shall be adjusted based on the following formula:</p> <p style="text-align: center;">Adjusted monthly installment payment = (Taxes less payments already made) / number of remaining months in the year.</p>
	<p>(2)</p>	<p>The Taxpayer shall be sent information about the adjusted monthly installment payments as calculated in subsection (1).</p>
	<p>(3)</p>	<p>Monthly installment payments may be adjusted on a periodic basis to reflect other Taxes, adjustments or payments that are applied to the Taxation Roll.</p>
<p>TERMINATION OF AGREEMENT</p>	<p>18</p>	<p>An Agreement shall be cancelled immediately, if:</p> <p>(a) any two installments are not honoured by the Taxpayer’s bank;</p>

		<ul style="list-style-type: none"> (b) the Initial Payment is not honoured by the Taxpayer’s bank; (c) the Taxpayer requests the cancellation; or (d) the City receives confirmation of a change of ownership which has been registered with Alberta Land Titles.
PENALTY ON TERMINATION	19 (1)	An Agreement cancelled in accordance with section 18 shall be subject to all applicable penalties under Schedule “A” including any retroactive penalties that would have been applied had the Agreement not been in place.
	(2)	<p>Despite subsection (1), a penalty shall not be charged when:</p> <ul style="list-style-type: none"> (a) A new owner applies to assume the monthly payment plan before the next two installment payments would have been paid had the Agreement not been cancelled, and the application is accepted; or (b) Ownership on the property has changed and all Taxes on the property have been paid before the next two installment payments would have been paid had the Agreement not been cancelled.

PART V - GENERAL

REPLACEMENT OF PRIOR BYLAW	20	Bylaw 12914 is repealed.
COMING INTO FORCE	21	This bylaw comes into force on January 1, 2025.

(NOTE: Consolidation made under Section 69 of the Municipal Government Act, R.S.A. 2000, c.M-26 and Bylaw 16620 Section 16, and printed under the City Manager’s authority)

Bylaw 19394, passed by Council October 5, 2020

Amendments:

Bylaw 19640, May 03, 2021

Bylaw 19732, May 17, 2021

Bylaw 19868, January 01, 2022

Bylaw 20273, January 01, 2023

Bylaw 20578, January 01, 2024

**SCHEDULE A - TAX PENALTY, INTEREST AND MONTHLY PAYMENT
BYLAW 20895**

Part 1

“Current Year” means 2025

“Previous Years” 2024 and any year preceding 2024

	<u>Property</u>	<u>Business Improvement Area (BIA)</u>
Due Date - Annual Taxes	June 30	March 31

Part 2 - Interest on Overpayments

Interest on Overpayments	0.10% per month	0.10% per month
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Part 3 - Penalty on Unpaid Taxes

		<u>Current Taxes</u>	
<u>Penalty - Property</u>		<u>Penalty - BIA</u>	
July 1	5.0%	April 1	4.00%
September 3	5.0%	May 1	1.25%
November 1	<u>5.0%</u>	June 3	1.25%
Total	15.0%	July 1	1.25%
		August 1	1.25%
		September 3	1.25%
		October 2	1.25%
		November 1	1.25%
		December 2	<u>1.25%</u>
		Total	14.00%

Monthly Penalty on Tax Arrears,

Supplementary/Amended Taxes and Additional Charges

<u>Penalty - Property</u>		<u>Penalty - BIA</u>	
January 1	1.25%	January 1	1.25%
February 1	1.25%	February 1	1.25%
March 1	1.25%	March 1	1.25%
April 1	1.25%	April 1	1.25%
May 1	1.25%	May 1	1.25%
June 3	1.25%	June 3	1.25%
July 1	1.25%	July 1	1.25%
August 1	1.25%	August 1	1.25%
September 3	1.25%	September 3	1.25%
October 2	1.25%	October 2	1.25%
November 1	1.25%	November 1	1.25%
December 2	<u>1.25%</u>	December 2	<u>1.25%</u>
Total	15.0%	Total	15.0%

Part 4 - Late Payment Penalty

Property

BIA

Late Payment Penalty on Initial Payment -
Monthly Payment Plan Applications

2.0%

2.0%

(S.3, Bylaw 19868, January 1, 2022)

(S.2, Bylaw 20273, January 1, 2023)

(S.3, Bylaw 20578, January 1, 2024)