

# Bylaw 19394

## Tax Penalty, Interest and Monthly Payment Bylaw

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### Purpose

To establish the 2021 due dates for payment of taxes, the rates of penalty to be imposed for late payment, the rate of interest to be applied on overpayments, and the terms under which taxes may be paid in monthly installments.

### Readings

Bylaw 19394 is ready for three readings.

A majority vote of City Council on all three readings is required for passage.

Three readings are required by December 31, 2020, to provide for penalty and interest rates which become effective January 1, 2021.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree "That Bylaw 19394 be considered for third reading."

### Position of Administration

Administration supports this Bylaw.

### Report Summary

The penalty rates and due dates established by this bylaw are unchanged from the existing bylaw.

### Report

This Bylaw will replace Bylaw 12914, as amended, and reflects updated wording to provide clarity with respect to the penalty provisions and incorporates the practice of the Assessment and Taxation Branch in administering the monthly tax payment plan. No changes to penalty or interest rates are included in this Bylaw.

The annual due date for Business Improvement Area taxes has been moved from March 31 to April 30 for 2021 only, as a result of the additional time required to complete the 2021 Business Improvement Area assessment roll given the challenges created by Covid-19. The due date for property taxes remains unchanged from previous years.

Penalty rates for property and Business Improvement Area taxes are comparable to those charged by other municipalities, totalling 15 percent and 14 percent, respectively, per annum for unpaid current taxes and 15 percent per annum for arrears of taxes.

Any overpayment of taxes will earn interest at the rate of .06 percent per month based on the minimum monthly credit balance.

A monthly payment program by automatic bank withdrawal is offered to taxpayers and allows for payment of taxes in monthly installments without penalty. Enrolment in this program has increased between 3 and 4 percent per annum, representing approximately 32 percent of the total tax accounts, based on 2019 year end statistics.

### Corporate Outcomes and Performance Management

Corporate Outcome(s): The City of Edmonton has a resilient financial position			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Encourage timely payment of property taxes	Number of Accounts Enrolled in Monthly Payment Program	As of August 1 2019: 129,332 accounts enrolled	3-4% annual increase in program enrollment
	% Taxes Collected by Year End	2019: 98.2%	2020: >=98.4%

### Public Engagement

Public engagement was not undertaken for this report. The bylaw continues a long-standing Council decision to establish penalties for late payment of annual property and business improvement area taxes.

### Budget/Financial Implications

Passage of this bylaw will result in projected tax penalty revenues of \$16.868 million for 2021.

### Attachments

1. Bylaw 19394
2. Bylaw 12914, as amended

### Others Reviewing this Report

- B. Andriachuk, City Solicitor