

Bylaw 19732

Amendments to Bylaw 19394 Tax Penalty, Interest and Monthly Payment Bylaw

Purpose

To amend Bylaw 19394 to reflect City Council's recent decision to waive the two percent administration fee on Monthly Payment applications received between April 21 and December 31, 2021, and to amend the May 1, 2021 penalty rates for BIA taxes to facilitate administration of the 2021 BIA tax funding program for BIA accounts that indicate tax arrears as of the date the 2021 grant credits are applied to the tax accounts.

Readings

Bylaw 19732 is ready for three readings.

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

Three readings are required prior to the mailing of the 2021 annual property tax notices near the end of May.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree "That Bylaw 19732 be considered for third reading."

Position of Administration

Administration supports this Bylaw.

Previous Council/Committee Action

At the April 19/21, 2021 City Council meeting, the following motions were passed:

1. That Attachment 2 of the April 19, 2021 Financial and Corporate Services report FCS00546 be amended to replace the Business Improvement Area (BIA) Levy Offset with option 1 to fund 100 per cent of the 2021 BIA levy, for a total cost of \$3.4 million (as outlined on page 4 of the April 19, 2021 Financial and Corporate Services report), funded through \$0.9 million in BIA support funds carried forward into the 2021 operating budget, and the remaining \$2.5 million

through the COVID-19 funds within the appropriated Financial Stabilization Reserve.

2. That Administration provide amendments to Bylaw 19394, Tax Penalty, Interest and Monthly Payment Bylaw, to remove any fees to sign up for the monthly payment plan.

Report

This amendment to Bylaw 19394, Tax Penalty, Interest and Monthly Payment Bylaw is required to reflect City Council's decision to waive the customary two percent administration fee payable on past due installments, for applications to the City's monthly tax payment plan made between April 21 and December 31, 2021.

The estimated cost of waiving the two percent administrative penalty for the remainder of the year is between \$200,000 and \$400,000. Administration will manage the budget impact within the existing 2021 operating budget.

In addition, to facilitate the administration of the grant program approved by City Council to fund the 2021 Business Improvement Area tax levies, this amending bylaw also identifies a change in the current penalty rate for BIA taxes for May 1, 2021.

On May 3, 2021, City Council also amended Bylaw 19394 in report FCS00404, Bylaw 19640 - Amendments to Bylaw 19394 - Leduc Annexation Area Change Tax Due Date. The version of Bylaw 19394 included as Attachment 2 in Bylaw 19732 does not reflect those recent changes from Bylaw 19640. Those prior amendments are unrelated to these new amendments.

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)
The City of Edmonton has a resilient financial position.	Property tax collection rate of \geq 98.4% as of year end.	Property tax collection was 96.7% for 2020.	\geq 98.4% of property taxes are collected during the current year.

Attachments

1. Bylaw 19732
2. Bylaw 19394

Others Reviewing this Report

- K. Fallis-Howell, Acting City Solicitor