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| POLICY # | Late Tax Payment Penalty Cancellation |
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| APPROVAL DATE AND MOTION: | May 23, 2023 Motion # 2023-05-57 | CROSS-REFERENCE: | FI 015 |
| RESPONSIBILITY: | Director of Corporate Services | APPENDICES: | None |
| APPROVER: | Council | EFFECTIVE DATE: | 2023 – May - 23 |
| REVISION DATE(s)/ MOTION #: | | NEXT REVIEW DATE: | Five years from the year of passing) |

1. DEFINITIONS (Provide definitions of the key terms used within the Policy)

- a. “Administration” means the staff of the County of Vermilion River under the direction of the Chief Administrative Officer;
- b. “Council” means the duly elected Council of the County of Vermilion River;
- c. “County” means the County of Vermilion River;
- d. “Immediate family” means a spouse, parent, or child;
- e. “Municipal Government Act”, “MGA” or the “Act” means the Province of Alberta’s Municipal Government Act, RSA 2000, c M-26, as amended or replaced from time to time; and

- f. "The County of Vermilion River" means the County of Vermilion River as a municipal corporation and the geographical area within its jurisdictional boundaries, as the context requires.
- g. "Penalty" or "Penalties" means Penalties imposed under ss 344 and 345 of the MGA or under Tax Penalty bylaw.
- h. "Due date" means due date describe under Tax Penalty Bylaw.
- i. "Application deadline" means 60 days after the tax due date as per Tax Penalty Bylaw, or Penalty date whichever is later.

2. POLICY STATEMENT

- a) Council may cancel, reduce, refund, or defer property tax if it is equitable to do so as per Section 347(1) of the Municipal Government Act (MGA).
- b) Council recognizes the need to be fair and equitable to all County taxpayers in its effort to address late tax payment penalty cancellation requests.
- c) This policy does not apply to exempt tax accounts held under the jurisdiction of the provincial or federal governments.

3. OBJECTIVE

The objective of this Policy is to:

- a) Establishes a uniform and consistent approach for Council to address late tax payment penalty cancellation requests in the County of Vermilion River (the County)

4. GUIDING PRINCIPLES

Any Municipal Tax Relief remains at the sole discretion of the County Council. This Policy is to guide and assist the County Council in the decisions relating to Municipal Tax Relief.

Municipal Penalties associated with late payment of the taxes may qualify for Municipal Penalty Relief if they meet the terms of this policy.

When considering a request for cancellation of municipal taxes, County Council will consider the following principles which are the basic principles that were used in the creation of this Policy.

- a) Fairness and equity to taxpayers
- b) Sustainability of revenues raised
- c) Simplicity, transparency and efficiency of the tax system
- d) Predictability and stability
- e) Encourage early payment

Any decision made by the County Council on whether to grant or refuse Penalty Relief is entirely discretionary and will be final with no right of appeal. Appropriate documentation and evidence will need to be provided to support any request for penalty forgiveness.

1. Municipal Penalty Relief That Will Be Supported by the Council

a. The following types of requests are situations where the County Council will typically support Tax Penalty Relief, providing application is made by application deadline:

i. Method of Payment

1. Postal mail – where taxpayer can provide a post mark or any other evidence from the post office to prove that the payment was made before the tax due date. Such evidence may include the postal stamp on regular mail, register mail receipt etc.,
2. Electronic payment – where the financial institution provide evidence stating that the payment was made before the due date. Such evidence may include bank stamp or payment processing confirmation page. Screenshot showing desktop date of processing date/time is not sufficient evidence for this purpose.
3. Drop off – where the physical payment has been received by the County administration before the start of the next business day following the due date.

ii. Errors of Fact

1. Where the tax notice has been sent to an incorrect address because of the County's error in recording an address change on the tax roll.
2. Penalties relating to errors in the processing of a payment where the error was either partially or completely the responsibility of the County.

iii. Payment Errors

1. Where a late tax payment has been processed by a financial institution and the financial institution provides documentation indicating the payment was processed on or before the due dates.
 - iv. Death and Illness Resulting in the Late Payment of Taxes
 1. Where a death in the immediate family of the property owner occurred within thirty days prior to the due date and payment of those taxes are made within forty-five days of the due date and.
 - any of the Penalties in this section is pertaining to the residential properties only and
 - taxpayer or the assessed person is not a corporation and
 - where the taxpayer has tax arrears less than 2 dollars and
 - The documentation provided is satisfactory to County administration.
2. Municipal Tax Relief That **Will Not** Be Supported
- a. While all decisions relating to Penalty Relief will remain at the sole discretion of the County Council, the following types of requests are situations where County Council direct administration refuse to grant Penalty Relief:
 - i. Penalties related to the prior taxation year
 - ii. Penalties arising because of a tax recovery process
 - iii. Penalties related to the tax account where a tax roll is in arrears,
 - iv. Penalties related to the tax account where taxpayer has already been granted relief under this policy in current year or past one year
 - v. Penalties not pertaining to a residential properties
 - vi. Penalties pertaining to the tax account where the taxpayer or the assessed person is a corporation

6. POLICY EVALUTAION

This policy is to be evaluated yearly with comprehensive review date within 5 years from the year of implementation.

7. ROLES & RESPONSIBILITIES

| ROLE/TASK | TITLE (s) TOF PERSON RESPONSIBLE |
|---|---|
| HANDLING INQUIRIES | Corporate Services |
| MONITORING REVIEWS AND REVISIONS | Corporate Services under direction of CAO |
| IMPLEMENTING POLICY | |
| COMMUNICATING POLICY | |
| INTERNAL STAKEHOLDERS | |
| EXTERNAL STAKEHOLDERS | |