



Policy Title	Date	Resolution No.
<b>Property Tax Penalty Relief Policy</b>	<b>December 12, 2023</b>	<b>HMC-23-104</b>

**PURPOSE:**

To provide a framework for Council, in the exercise of its discretion under section 347(1) of the Municipal Government Act, when considering requests from property owners for property Tax Penalty cancellations.

**POLICY STATEMENT:**

Section 347(1) of the Municipal Government Act permits Council the discretion to cancel, reduce, refund or defer tax arrears, if it considers it equitable to do so.

Council must exercise this discretion in an equitable and transparent manner, as any cancellation, reduction, refund or deferral has a financial consequence to the Municipality.

**DEFINITIONS:**

“Act” means the Municipal Government Act, R.S.A., 2000, c. M-26 and amendments thereto.

“Tax Relief” is the discretionary cancellation, reduction, refund or deferral of all or part of a property tax penalty by Council.

“Municipality” means the Summer Village of Half Moon Bay

“LTO” means Alberta Land Titles Office

**RESPONSIBILITIES:**

The administrative Finance Department is responsible for:

- Reporting to Council the request for property Tax Penalty Relief and the particulars of each request.

Council is responsible for:

- Rendering a decision on each request for Tax Penalty Relief, as per the discretion granted to them by section 347(1) of the Act, and based on the service standards as articulated within this policy.

**SERVICE STANDARDS/EXPECTATIONS:**

General Tax Penalty Relief Principles

1. Administration retains the ability to cancel or refund all or part of a property tax penalty if it is determined that the Taxation Department has made an error, omission, or misrepresentation in the administration of the tax account in question.
2. Administration retains the ability to cancel the property tax penalty if there is a clear “post marked” payment time/date stamp which identifies it as being paid on or before the July 31<sup>st</sup> and or December 31<sup>st</sup> deadline due dates.
3. When considering a request for property tax reduction, cancellation, refund or deferral, Council shall take into consideration the following principles:
  - a. Fairness and equity to all taxpayers;
  - b. Sustainability of municipal revenues;
  - c. Predictability, stability and efficiency of the tax levy due date process.
4. All property owners seeking Tax Penalty Relief shall follow the prescribed administrative process which entails the following:
  - a. Property owners shall first dialogue with the administrative Finance Department as to the nature of their request for Tax Penalty Relief.
  - b. If the Finance Department is of the opinion that no error has occurred in the administration of the tax account, then the request for Tax Penalty Relief shall be referred to Council.
  - c. Property owners then must complete the standardized “Request for Property Tax Penalty Relief” application form, which is available via the Finance Department upon request; and
  - d. The tax penalty in question, should be paid by the property owner to avoid further penalties being incurred.

5. Council shall not be bound by precedent for any prior decisions it has made relative to request for Property Tax Penalty Relief.
6. Council's decision on a request for Property Tax Penalty Relief is considered final. There is no further recourse available, and the matter is considered closed.

Permissible Property Tax Penalty Relief Categories

7. Compassionate Grounds:

Council may provide Property Tax Penalty Relief for property tax penalties incurred by the property owner, and only for the current taxation year penalties, for the following:

- a. An extenuating circumstance, that in the opinion of Council merits compassionate Property Tax Penalty Relief, given the severity of the situation such as a bona fide need.

Non-Permissible Tax Relief Categories

While the granting of property Tax Penalty Relief remains at the discretion of Council, the following categories of requests generally are deemed to **not** qualify for Tax Relief:

8. Failure to Receive a Property Assessment and Tax Notice:

- a. Non-receipt of a property assessment and tax notice is typically not a permissible reason for request for relief from a tax penalty.
  - i. Section 310 – 311 of the MGA stipulates that the Municipality only has the obligation to ensure notices have been sent. The Municipality is not under legislative obligation to ensure physical receipt of the notice by the property owner.
- b. Common Examples include, but are not limited to:
  - i. Failure of receipt due to unanticipated Canada Post strike or other mail delivery disruption;
  - ii. Incorrect ownership or mailing address information was registered at LTO, regarding the property in question; and
  - iii. General disappearance of the notice due to mis-delivery, loss, theft or destruction.

9. Payment Errors or Delays:

- a. Payment errors and/or delays, resulting in late payment, are not typically a permissible reason for request for relief from a tax penalty.
- b. Common examples are not limited to:

- i. Incorrect use of electronic information caused an error or delay in receipt of tax payment (ie: wrong email address used for e-transfer payments);
- ii. Financial institution processed tax payment incorrectly or with delay;
- iii. Use of unidentified payment terms that are not specified on back of property assessment and tax notice;
- iv. Errors, delays, misunderstanding or non-communications in the conveyancing, transfer of title, or property registration process, by property owners, lawyer, agents or LTO, resulting in late payment of property taxes;
- v. Property owner was on vacation, out of country or similarly physically unable to make payment prior to tax payment deadline; and
- vi. Payment was put in mail, but not picked up or post-marked on or before the July 31<sup>st</sup> and/or December 31<sup>st</sup> deadline due date.
- vii. General late payment of property taxes, with no specific reason for lateness.

10. Tax Relief of Other Charges:

- a. Charges, levies, or amounts added to the tax roll that do not relate to the annual property assessment and taxation process, are not a permissible reason for request for Property Tax Penalty Relief from a tax penalty.
- b. Common examples include, but are not limited to:
  - i. Fees and charges arising from the tax recovery process;
  - ii. Service fees for returned tax payments;
  - iii. Unpaid municipal bylaw violation charges;
  - iv. Utility consumption or installation charges;
  - v. Fire/Emergency Services Fees charged to property (ie; false alarms, emergency response); and
  - vi. Any penalties, interest, or other charges related to those amounts.

**PROCEDURE:**

Review of Property Tax Penalty Cancellation Requests

1. Administration shall present all requests for property tax penalty relief to Council at the next meeting of Council after it has been received. This shall be done at an open public meeting of Council as Council's decisions on these matters have an impact on all property owners due to financial consequences to the Municipality.
2. Once Council has made their decision under a recorded meeting resolution number, Administration will then advise the property owner of Council's decision in writing within 3 business days.