

**Agenda Item: D.1**

Request for Decision

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| **Title**  | **Request for Cancellation of Property Tax Penalties - Tax Roll 190042** |
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| **Proposed Motion** | That Council refuse the request to cancel the property tax penalty of $573.60 for Tax Roll 190042. |
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| **Administrative****Recommendation** | Administration recommends that Council refuse the ratepayer’s request to cancel property tax penalties for Tax Roll 190042.  |
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| **Previous Council Direction** | January 26, 2021 Regular Council MeetingMotion 042/21: That Council postpone the decision on the request for cancellation of property tax penalties for Tax Roll 190042 to the February 9, 2021 Council meeting.January 12, 2021 Regular Council MeetingMotion 004/21: That Council refer the presentation from Henderson Built J Group Inc. regarding the tax penalty cancellation request for Roll #190042 to Administration to present information and a recommendation at the January 26, 2021 Council meeting.April 28, 2020 Regular Council MeetingMotion 204/20: That Council give third reading of Bylaw 1494/20.March 31, 2020 Regular Council MeetingMotion 150/20: That Council give third reading of Bylaw 1498/20.October 23, 2018 Regular Council MeetingMotion 302/18: That Council give third reading to Bylaw 1422/18. |
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| **Report** | Background Information* In accordance with Bylaw 1422/18, the Tax Penalty Bylaw, Sturgeon County municipal taxes are due on the last business day of June of each year.
* Bylaw 1498/20, the 2020 Tax Penalty Bylaw Amendment for COVID-19, extended the date for the application of property tax penalties in 2020 to August 31, 2020.
* Payments for 2020 were required to be postmarked on or before August 31, 2020 or received at Sturgeon County Centre before the end of business (4:30 p.m.) on August 31, 2020 to avoid penalty charges.
* County ratepayers were made aware of this date. The External Communication section of this Request for Decision (RFD) outlines the communication that was provided to ratepayers. Tax penalties are in place to ensure the timely payment of property taxes.
* Tax penalties are in place and charged to ensure the timely payment of property taxes. In 2020, taxes were due on August 31, 2020, and late penalty charges were imposed as follows:
	+ 6% of current levy – September 1, 2020;
	+ 6% of current levy – October 1, 2020;
	+ 12% of total owing - March 1, 2021.
* The County offers a Tax Installment Payment Plan (TIPP) that allows property owners to pay property taxes in monthly installments rather than a single payment making it easier to budget and ensure taxes are paid on time. Restricting TIPP enrollment for tax rolls that are in arrears is a common practice within municipalities due to system limitations and to ensure we are following the *Municipal Government Act* (MGA) and current bylaws in place.
* Property owners who fall into arrears have other automated alternatives that allow for their payments to be withdrawn or deposited directly to Sturgeon County. Monthly payments can be setup through financial institutions or postdated cheques can be provided for the amounts a property owner can and wishes to pay.
* On September 1, 2020, a 6% tax penalty of $573.60 was incurred on tax roll 190042 for outstanding taxes.
* On September 1, 2020, the ratepayer paid the full amount of levy of $9,559.97.
* On November 30, 2020, Administration received a request form to present to Sturgeon County Council.
* On January 12, 2021, the ratepayer appeared before Council to request the property tax penalties be cancelled.
* Following the presentation, Council requested proof of payment that the transaction in fact did occur on August 31, 2020 from the ratepayer’s financial institution to support the cancellation request, prior to January 26, 2021 Regular Council Meeting.
* At the January 26, 2021, Regular Council meeting Council provided an extension for the property owner to supply the above-mentioned proof of payment by the February 9, 2021 Regular Council Meeting.
* Administration attempted to contact the ratepayer on two occasions since the January 26, 2021 Council Meeting, with no response received.
* Administration received correspondence from the ratepayer on February 5, 2021 showing payment on September 1, 2020.

Section 347(1) of the *Municipal Government Act* (MGA)* In accordance with section 347(1) of the MGA, if a Council considers it equitable to do so, it may cancel or reduce tax arrears.
* One example where Sturgeon County has granted tax cancellations in the past is where a property has been damaged by a natural disaster or fire.
* Based on advice from the County’s legal counsel, Council must be consistent in respect of granting tax arrears cancellations and must do so in a fair and impartial manner. In essence, the requirement of equity in section 347 reflects the general principle that ratepayers should be treated alike and without discrimination.
* The requirement of equity requires that Council consider other ratepayers when considering a cancellation and if it would be fair to other ratepayers that owe taxes and pay their taxes in the normal course.
* It would not be equitable for Council to grant a cancellation of tax arrears in one case but refuse to do so in another case where the underlying facts are the same or similar.
* Council must consider each request independently, on its own merits, and come to a decision while recognizing that Council will need to be consistent in future, similar, requests.

External Communication* Tax notices mailed message:
	+ Advertising in the *Free Press* and Redwater *Review* on May 27, 2020.
	+ Advertised on road signs the weeks of May 24, 2020 and May 31, 2020:
		- Sturgeon/Starkey Road, Cardiff Corner, Cardiff Road and Highway 28, Gibbons Area, West-Calahoo, Redwater – Side 2 RGE Rd 223/TWP 570 and Highway 642.
* Tax payment due message:
	+ Promoted on Sturgeon County website homepage and Facebook from April 1, 2020 to August 30, 2020.
	+ Advertising in the *Free Press* and Redwater *Review* on:
		- June 3, 2020, June 10, 2020, June 17, 2020, and June 24, 2020.
	+ Advertised on road signs the week of June 21, 2020 and June 28, 2020:
		- Sturgeon/Starkey Road, Cardiff Corner, Gibbons Area, West-Calahoo, and Highway 642.

Relevant Policy/Legislation/Practices:* Section 344 of the MGA provides for Council to impose a penalty for non-payment of taxes in the current year.
* Section 347(1) of the MGA states that Council may, if it considers it equitable to do so, cancel or reduce tax arrears.
* Bylaw 1422/18 - Penalties on Unpaid Municipal Taxes Bylaw
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| **Implication of Administrative Recommendation** | Strategic Alignment:**Strong Local Governance & Regional** The imposition of a penalty on taxes owed is consistent with legislation, policies and procedures and supports Goal 3.2 – *Sturgeon County is financially stable and fiscally responsible.* Organizational:Administration will issue a letter informing the ratepayer of Council’s decision.Financial:None. |
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| **Alternatives Considered** | 1. That Council cancel the property tax penalty for Tax Roll 190042 in the amount of $573.60 to be funded through General Operating Reserve. |
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| **Implications of Alternatives**  | Strategic Alignment: A decision to cancel tax arrears would be inconsistent with Goal 3.2 – *Sturgeon County is financially stable and fiscally responsible.*Organizational:If tax arrears are cancelled by Council, Administration would remove the penalty from the tax account and issue a letter informing the ratepayer of Council’s decision.Financial:This adjustment alone is not material but must be deemed equitable to Council in accordance with section 347(1) of the MGA. Due to the current economic situation, as well as others in similar situations, this decision could materially impact the budget as well as reserve balances. |
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| **Follow up Action** | 1. Advise the ratepayer of Council’s decision (Financial Services, February 2021).
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| **Attachment(s)** | 1. Presentation Request Form
2. February 5, 2021 Email from Ratepayer
3. Bylaw 1422/18 – Penalties on Unpaid Municipal Taxes
4. Bylaw 1498/20 – 2020 Tax Penalty Bylaw Amendment for COVID-19
5. Reserve Policy
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| **Report Reviewed by:** | Sabrina Duquette, Manager, Financial ServicesDawn Sauvé, Director, Financial, Assessment and Procurement ServicesReegan McCullough, County Commissioner – CAO  |

**Strategic Alignment Checklist**

**Vision:** *Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.*

**Mission:** *Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.*

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| **Focus Areas** | **Not consistent** | **N/A** | **Consistent** |
| **Planned Growth and Prosperity** |  |  |  |
| *We encourage varied and integrated enterprises that enhance our strong economic* *base, while balancing the needs of the community and natural environment.**(Strategic Plan and MDP pg. 36)* |[ ] [x] [ ]
| * *Supports a strong thriving business environment to strengthen our economic foundation*
 |[ ] [x] [ ]
| * *Plans for responsible growth through the MDP and regional growth plan.*
 |[ ] [x] [ ]
| * *Manages growth for current and future developments through:*
	+ *transparent bylaws, policies and processes to enable responsible land development*
 |[ ] [x] [ ]
| * + *targeting growth around existing and identified future growth areas*
 |[ ] [x] [ ]
| **Maintain and Enhance Strong Communities** |  |  |  |
| *We are committed to a safe and viable community, where our residents are* *provided with access to opportunities and quality of life.* *(Strategic Plan and pg. 27 MDP)* |[ ] [x] [ ]
| * *Provides access to programs and services that have a positive impact on residents’ quality of life*
 |[ ] [x] [ ]
| * *Provides access to safe and reliable infrastructure assets*
 |[ ] [x] [ ]
| * *Supports the safety of people and property*
 |[ ] [x] [ ]
| **Strong Local and Regional Governance** |  |  |  |
| *We promote consistent and accountable leadership through collaborative and* *transparent processes (Strategic Plan and pg. 27 MDP)* |[ ] [x] [ ]
| * *Provides effective leadership and management consistent with Strategic Plan, MDP, master plans, bylaws, policies, community engagement*
 |[ ] [ ] [x]
| * *Considers fiscal stability and sustainability*
 |[ ] [ ] [x]
| * *Fosters collaborative intergovernmental partnerships*
 |[ ] [x] [ ]
| **Community Identity & Spirit** |  |  |  |
| *We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan and MDP pg. 27)* |[ ] [x] [ ]
| * *Promotes and/or enhances residents’ identification with Sturgeon County*
 |[ ] [x] [ ]
| * *Support and/or collaborate with voluntary organizations in the region*
 |[ ] [x] [ ]
| **Environmental Stewardship** |  |  |  |
| *We foster a healthy environment and minimize our impact on ecosystems. (Strategic Plan and MDP pg. 27)* |[ ] [x] [ ]
| * *Plans and partnerships that minimize environmental impact on natural areas*
 |[ ] [x] [ ]
| * *Provides awareness of environmental issues impacting the County*
 |[ ] [x] [ ]