

**BYLAW 5994**

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**A BYLAW OF THE CITY OF LETHBRIDGE TO PROVIDE  
FOR THE PAYMENT OF TAXES IN ARREARS**

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**WHEREAS** Council considers it advisable to authorize the establishment of Tax Arrears Payment Plan;

**NOW THEREFORE THE COUNCIL OF THE CITY OF LETHBRIDGE, DULY ASSEMBLED, HEREBY ENACTS AS FOLLOWS:**

1. **TITLE**

This Bylaw may be referred to as the Tax Arrears Payment Plan Bylaw.

2. **TAX ARREARS PAYMENT PLAN**

The City Tax Collector is authorized to establish plans for payment by installments of outstanding taxes including taxes in arrears. The plan may include an estimate of taxes that will be imposed during the tenure of the Tax Arrears Payment Plan. The plan will be known as "Tax Arrears Payment Plan".

3. **DEFINITIONS**

In this Bylaw

- (a) "Act" means the Municipal Government Act"
- (b) "Anticipated taxes" means an estimate of taxes that will be imposed during the tenure of the Tax Arrears Payment Plan.
- (c) "City" means municipal corporation of the City of Lethbridge;
- (d) "City Tax Collector" means the City Assessor and Tax Collector, a designated officer appointed pursuant to the provisions of the Act;
- (e) "Current taxes" means taxes referred to in section 344 of the Act;
- (f) "Tax Arrears Payment Plan" means an agreement established pursuant to section 2 between the City and a taxpayer for payment of outstanding taxes referred to in section 344 and 345 of the Act;
- (g) "Taxes" means all taxes imposed by the City pursuant to the Act or any other statute of the Province of Alberta, including property taxes, local improvement taxes, special maintenance taxes, business revitalization

zone taxes, the amounts which in the event of non-payment are deemed at law to be taxes or recoverable as or in the same manner as taxes and any penalties on such taxes or amounts;

- (h) "Taxes in Arrears" means taxes which remain unpaid after December 31 of the year in which they were imposed, including penalties on such taxes pursuant to section 345 of the Act;
- (i) "Taxpayer" means a person liable to pay taxes pursuant to section 331 and 373 of the Act;
- (j) "Tax Penalties" means the penalties imposed pursuant to the annual Incentives for Prepayment, Penalty and Tax Deferral Bylaw;
- (k) "Tax Installment Prepayment Plan" means the plan authorized in the annual Tax Installment Prepayment Plan Bylaw;
- (l) "Year" means calendar year.

#### 4. **APPLICATION**

4.1 A Taxpayer with outstanding taxes including taxes in arrears due and owing to the City may, at any time, apply to the City Tax Collector or their designate to pay taxes in arrears and possibly current taxes by installments pursuant to a Tax Arrears Payment Plan.

4.2 An application pursuant to subsection 4.1 shall be approved by the City Tax Collector or their designate provided that the following conditions have been satisfied:

- (a) The Taxpayer shall complete an application in the form prescribed by the City Tax Collector;
- (b) The Taxpayer shall complete such application form or forms provided by the City Tax Collector as may be required to enable the City to collect;
  - i) installment payments pursuant to the Tax Arrears Payment Plan by way of pre-authorized debit of funds from an account of the Taxpayer at a bank, treasury branch, trust company or credit union pre-authorized debit; or
  - ii) by such other means as approved by the City Tax Collector
- (c) The Taxpayer shall undertake to pay all taxes pursuant to the Tax Arrears Payment Plan on a monthly installment basis pursuant to section 4.2 (b) over a term not exceeding twenty-four (24) months.

- 4.3 The effective date of the Tax Arrears Payment Plan shall be the date the Taxpayer's application made pursuant to subsections 4.1 and 4.2 is approved by the City Tax Collector or their designate.
- 4.4 Subject to sections 7, 8 and 9, the Taxpayer shall pay all taxes pursuant to the Tax Arrears Payment Plan without further application under this Bylaw for the duration of the term of the Tax Arrears Payment Plan from the effective date of the Tax Arrears Payment Plan.
- 4.5 The taxpayer upon completion of the Tax Arrears Payment Plan must either enroll in the Tax Installment Prepayment Plan or arrange for payment of their taxes as part of their mortgage through their mortgagee. Failing to do so may result in the denial of any future request to enroll in the Tax Arrears Payment Plan.

5. **INSTALLMENTS**

- 5.1 All taxes paid pursuant to a Tax Arrears Payment Plan shall be paid with monthly installments calculated pursuant to this section and payable on the dates established under the Tax Arrears Payment Plan.
- 5.2 The term of a Tax Arrears Payment Plan shall be determined by the City Tax Collector or their designate having regard to:
- (a) the amount of any outstanding taxes including taxes in arrears;
  - (b) the amount of anticipated taxes;
  - (c) the length of the Agreement required for the timely completion of the Tax Arrears Payment Plan to transition the Taxpayer into Tax Installment Prepayment Plan;
  - (d) the Taxpayer's ability to pay; and
  - (e) such other matters as the City Tax Collector or their designate considers reasonably advisable;

and shall not exceed a maximum of twenty-four (24) months from the effective date of the Tax Arrears Payment Plan.

- 5.3 The amount of the installments to be paid pursuant to subsection 5.1 shall be calculated by determining whether or not the outstanding taxes including the arrears of taxes, or both the outstanding taxes including arrears and anticipated taxes are to be paid under the plan:

Option A - Payment of Outstanding Taxes Including Taxes in Arrears and Anticipated Taxes:

- (a) all outstanding taxes including taxes in arrears up to the effective date of the Tax Arrears Payment Plan;
- (b) the anticipated taxes payable during the term of the Tax Arrears Payment Plan; and
- (c) the estimated penalties pursuant to section 6 based upon the term of the Tax Arrears Payment Plan;

Option B - Payment of Outstanding Taxes Including Taxes in Arrears (Owner to pay anticipated taxes on time):

- (a) all outstanding taxes including taxes in arrears up to the effective date of the Tax Arrears Payment Plan; and
- (b) the estimated penalties pursuant to section 6 based upon the term of the Tax Arrears Payment Plan;

divided by the number of installments included in the term of the Tax Arrears Payment Plan. All installments shall be applied first in payment of the taxes in arrears.

5.4 The Taxpayer, after the commencement of a Tax Arrears Payment Plan, may apply to have the term of the Tax Arrears Payment Plan reduced, or, if the term of the Tax Arrears Payment Plan is less than twenty-four (24) months, the Taxpayer may apply to have the term of the Tax Arrears Payment Plan extended, subject to the discretion of the City Tax Collector or their designate, to the maximum of twenty-four (24) months in accordance with subsection 5.2. Upon the term being reduced or extended, the installments shall be adjusted by the City Tax Collector or their designate accordingly.

## 6. **PENALTIES**

6.1 Subject to sections 7, 8 and 9 of this Bylaw, penalties pursuant to the Incentives for Prepayments, Penalty and Tax Deferral Bylaw shall not be applied to current taxes or taxes in arrears during the term of a Tax Arrears Payment Plan.

6.2 The Taxpayer shall instead pay a discounted rate of penalty from the effective date of the Tax Arrears Payment Plan on the outstanding taxes including arrears accruing up until the effective date of the Tax Arrears Payment Plan and on the current taxes which become taxes subject to penalties after July 1 of each year during the term of the Tax Arrears Payment Plan. The discounted penalty is calculated and applied to the tax account upon successful completion of the Tax Arrears Payment Plan.

The discounted penalty shall be the existing tax penalty rate for taxes in arrears provided by the Incentives for Prepayments, Penalty and Tax Deferral Bylaw at the effective date of the Tax Arrears Payment Plan, less six percent (6%) per annum, and this discounted rate of penalty shall be adjusted during the term of the Tax Arrears Payment Plan in accordance with any changes in the tax penalty rate.

7. **WITHDRAWAL FROM A TAX ARREARS PAYMENT PLAN**

7.1 A Taxpayer paying taxes pursuant to a Tax Arrears Payment Plan may withdraw from the Tax Arrears Payment Plan at any time upon at least two (2) weeks written notice to the City Tax Collector. A Taxpayer on pre-authorized debit of funds must cancel their pre-authorized debit Agreement by submitting a Tax Arrears Payment Plan Cancellation form by the 20<sup>th</sup> of the month prior to the next pre-authorized debit.

7.2 In the event that a Taxpayer withdraws from a Tax Arrears Payment Plan:

- (a) all taxes in arrears and, if the date of withdrawal is after June 30 of any given year, all current taxes shall become due and payable on the effective date of withdrawal;
- (b) the Taxpayer shall not be entitled to any discounts pursuant to this Bylaw from the effective date of withdrawal.

8. **DEFAULT**

8.1 (a) If an installment required to be paid pursuant to a Tax Arrears Payment Plan remains unpaid by the 21st day after the payment was due pursuant to this Bylaw, the Taxpayer shall be deemed to be in default of the Tax Arrears Payment Plan. In the event of such default, the participation of the Taxpayer in the Tax Arrears Payment Plan may be cancelled at the discretion of the City Tax Collector, however, should the Taxpayer default more than twice during the term of the Tax Arrears Payment Plan, the Tax Arrears Payment Plan shall be automatically cancelled.

(b) If a Taxpayer chooses Option B for the payment of outstanding taxes including arrears and does not pay their current year's taxes prior to the due date, the Taxpayer shall be deemed to be in default of the Tax Arrears Payment Plan. In the event of such default, the participation of the Taxpayer in the Tax Arrears Payment Plan may be cancelled at the discretion of the City Tax Collector, however, should the Taxpayer default more than twice during the term of the Tax Arrears Payment Plan, the Tax Arrears Payment Plan shall be automatically cancelled.

8.2 If the participation of a Taxpayer in a Tax Arrears Payment Plan is cancelled:

- (a) all taxes in arrears and, if the date of cancellation is after June 30 of any given year, all current taxes shall become due and payable on the effective date of cancellation;
- (b) the Taxpayer shall not be entitled to any discounts pursuant to this Bylaw; and
- (c) the Taxpayer shall be liable to pay penalties pursuant to the Incentives for Prepayments, Penalty and Tax Deferral Bylaw, on all taxes, whether current taxes or taxes in arrears.

9. **SALE OF LAND**

- 9.1
- (a) When a Taxpayer sells property to which a Tax Arrears Payment Plan applies, the Tax Arrears Payment Plan shall be deemed to be cancelled and all overdue taxes, both current and taxes in arrears shall become due and payable effective on the date of closing.
  - (b) A Taxpayer on pre-authorized debits (PAD) must cancel their pre-authorized debit Agreement by submitting a Tax Arrears Payment Plan Cancellation form by the 20<sup>th</sup> of the month prior to the next pre-authorized debit.
  - (c) The taxpayer must notify the City Tax Collector or their designate of the pending sale to be eligible to receive this discounted penalty rate.

10. **ADJUSTING INSTALLMENTS**

The City Tax Collector or their designate may revise the amount of the monthly installments payable under a Tax Arrears Payment Plan:

- (a) to reflect changes to the assessed value of the property or business;
- (b) to reflect changes in the discounted tax penalty rate as determined by changes to the tax penalty rate pursuant to the Incentives for Prepayments, Penalty and Tax Deferral Bylaw;
- (c) to reflect differences between the anticipated and actual current taxes during the term of the Tax Arrears Payment Plan;
- (d) to account for a lump sum payment of taxes made by the Taxpayer;
- e) to reflect the imposition, termination or lump sum payment of local improvement taxes, special maintenance levies and/or any other related charges;

- (f) to reflect the increase in payments and penalties required as a result of a failure to pay any installments;
- (g) to provide for payment pursuant to the Tax Arrears Payment Plan of amounts which in the event of non-payment are deemed at law to be taxes or recoverable as or in the same manner as taxes; or
- (h) to provide for or reflect such other matters as the City Tax Collector or their designate reasonable considers advisable.

11. **CITY TAX COLLECTOR**

The City Assessor is designated as the City Tax Collector to carry out the duties for the administration of this Bylaw.

12. **MUNICIPAL GOVERNMENT ACT**

This Bylaw does not affect any provisions of or stay any tax recovery proceedings pursuant to the Municipal Government Act (2000) Chapter M 26.

13. **EFFECTIVE DATE**

This Bylaw shall come into force on the date of final passing thereof.

14. **REPEALED**

Bylaw 5637 is repealed as of April 18, 2016.

READ A **FIRST** TIME THIS 4<sup>TH</sup> day of APRIL, 2016  
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 MAYOR C. A. Spearman \_\_\_\_\_  
 \_\_\_\_\_  
 DEPUTY CITY CLERK D. Sawfield

READ A **SECOND** TIME THIS 18 day of April, 2016  
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 MAYOR C. A. Spearman \_\_\_\_\_  
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 CITY CLERK D. Sawfield

READ A **THIRD** TIME THIS 18 day of April, 2016  
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 MAYOR C. A. Spearman \_\_\_\_\_  
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 CITY CLERK D. Sawfield