

Department: City Solicitor

April 13, 2010

For Submission to  
April 19, 2010  
Council Meeting

His Worship the Mayor and  
Members of City Council

RE: Bylaw 5646: A Bylaw of the City of Lethbridge to provide for a  
Pre-Authorized Tax Installment Payment Plan

Attached hereto for Council's consideration and three readings is Bylaw 5646. The effect of the Bylaw is to permit those rate payers who wish the opportunity to pay their taxes by installments over the ensuing year to do so.

The Bylaw provides the following updates:

- 1) Establishes the rate of discount on prepayments at 1.25% for the 2011 tax year.
- 2) Provides authority for the current practice of allowing rate payers to join the tax installment payment plan at any time during the year. Monthly tax installment payments will be prorated by the number of months remaining up to and including May 1<sup>st</sup> in the year the taxes are due.
- 3) Allows the transfer of credit balances to reduce the monthly tax installment payment in the following year. The City previously issued 3,932 refunds averaging \$172 per account in mid July 2009, and then started receiving monthly tax installment pre-payments on August 1<sup>st</sup>. Taxpayers often comment that this process is inefficient.
- 4) The current practice of encouraging taxpayers to join the monthly tax installment payment plan by cancelling their current year's penalties is limited to the July 1<sup>st</sup> to July 20<sup>th</sup> timeframe.

  
Douglas S. Hudson, Q.C.  
City Solicitor

*Rec'd 3 Rdys*  
*April 19/2010*

BYLAW 5646

A BYLAW OF THE CITY OF LETHBRIDGE  
TO PROVIDE FOR A PRE-AUTHORIZED TAX  
INSTALLMENT PAYMENT PLAN

\*\*\*\*\*

WHEREAS pursuant to section 339 of the *Municipal Government Act*, Revised Statutes of Alberta, 2000, Chapter M-26, a municipal council by bylaw may provide for incentives on payments of property taxes made before a date or dates to be fixed in the bylaw for property taxes;

AND WHEREAS pursuant to section 340 of the *Municipal Government Act*, Revised Statutes of Alberta, 2000, Chapter M-26, Council may by bylaw permit taxes to be paid by installments;

AND WHEREAS pursuant to section 347 of the *Municipal Government Act*, Revised Statutes of Alberta, 2000, Chapter M-26, only Council can cancel a tax;

AND WHEREAS pursuant to section 346 of the *Municipal Government Act*, Revised Statutes of Alberta, 2000, Chapter M-26, penalties imposed by Council are part of the tax;

AND WHEREAS the Council desires to establish a pre-authorized tax payment plan in the City of Lethbridge;

NOW THEREFORE, THE COUNCIL OF THE CITY OF LETHBRIDGE, IN THE PROVINCE OF ALBERTA, DULY ASSEMBLED, HEREBY ENACTS AS FOLLOWS:

1. This Bylaw may be called the "Tax Installment Payment Bylaw".
2. In this Bylaw:
  - (a) "City" means the City of Lethbridge;
  - (b) "City Tax Collector" means the City Assessor and Tax Collector a designated officer appointed pursuant to the provisions of the *Municipal Government Act*;
  - (c) "Council" means the Municipal Council of the City of Lethbridge.
  - (d) "Current taxes" means taxes imposed in the current year;
  - (e) "Penalties" means penalties on unpaid taxes pursuant to the annual

Incentives for Prepayment, Penalty and Tax Deferral Bylaw;

- (f) "Taxes" means all taxes imposed by the City pursuant to the Municipal Government Act or any other statute of the Province of Alberta, including property taxes, local improvement taxes, 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;
  - (g) "Taxpayer" means a person liable to pay taxes;
  - (h) "Year" means calendar year.
3. A person who is the owner or purchaser of any assessed land or improvements thereon shown on the assessment roll of the City of Lethbridge is hereby granted the right to prepay their taxes on such land and improvements in 10 monthly installments commencing on the first day of August of the year prior to the year in which the taxes will become due, and continuing on the first day of each and every month thereafter to and including the first day of May in the year in which the taxes are due. The amount of each monthly installment herein provided shall be 1/10 of the taxes levied on the said land and improvements in the year in which the first monthly installment is made.
  4. A person who is the operator or purchaser of any assessed business premises thereon shown on the Downtown Business Revitalization Zone assessment roll of the City of Lethbridge is hereby granted the right to prepay their taxes on such business premises in 10 monthly installments commencing on the first day of August of the year prior to the year in which the taxes will become due, and continuing on the first day of each and every month thereafter to and including the first day of May in the year in which the taxes are due. The amount of each monthly installment herein provided shall be 1/10 of the taxes levied on the said land and improvements in the year in which the first monthly installment is made.
  5. All payments made hereunder shall be made by way of pre-authorized payments and a person desiring to make prepayments pursuant to this Bylaw shall execute and deliver to the City a pre-authorized payment application in the form authorized by the Tax Collector not later than July 20<sup>th</sup> in the year in which the pre-authorized payments are to commence.
  6. No person may enter into the tax installment payment plan with the City when the municipal taxes upon the land or improvements thereon are the subject of late payment penalties as at July 1 in any calendar year.

7. Should a taxpayer whose property or business is subject to late payment penalties as at July 1, in the current tax year, make application not later than July 20<sup>th</sup> in the current tax year in accordance with section 5 of this bylaw, Council authorizes the City Tax Collector to cancel the current year penalty when the following conditions are met:
  - i) all taxes are paid in full by July 20<sup>th</sup> in the current tax year.
  - ii) all monthly installments are paid in full commencing on the first day of August of the year prior to the year in which the taxes are due and continuing on the first day of each and every month thereafter to and including the first day of May in the year in which the taxes are due or until property has been sold.
8. The City Tax Collector may accept applications for the tax installment plan at any time after July 20<sup>th</sup> and prorate the monthly installments by the number of full calendar months from the date of application to and including the first day of May in the year in which the taxes are due.
9. The City shall allow an incentive discount on the amount of the taxes based on a calculation from the date of each prepayment to the 30<sup>th</sup> day of June in the year when the taxes are due so as to yield a discount on the prepayments received by the City at the rate of 1.25% per annum.
10. Notwithstanding anything herein contained where:
  - (a) any prepayment is not remitted to the City in accordance with the pre-authorized payment plan, or
  - (b) the land and improvements thereon are sold at any time during the period of prepayment and the tax installment payment plan installments have not been transferred to the purchase, or
  - (c) the cancellation of the tax installment payment plan,no incentive discount shall be given or allowed by the City on any taxes levied and all installment payments shall be credited to the property or downtown business revitalization zone tax account.
11. Any balance of taxes including local improvement and special road maintenance taxes, remaining unpaid upon any land and improvements after computing all prepayments of taxes and applying the discount allowed pursuant to this bylaw shall be payable to the City not later than the last business day of June of the year in which such taxes are due and payable.

12. Any balance of taxes including local improvement and special road maintenance taxes, remaining as a credit upon any land and improvements after computing all prepayments of taxes and applying the discount allowed pursuant to this bylaw shall be carried forward and applied to reduce the monthly tax installment payments commencing on the first day of August of the year prior to the year in which the taxes will become due unless the tax payer cancels the tax installment payment plan or requests in writing to the City Tax Collector a refund of the credit.
13. Nothing herein shall prevent any person from prepaying all or any portion of their estimated taxes in one or more payments as set out in the Tax Prepayment Bylaw.
14. Bylaw 5588 is hereby repealed.
15. This Bylaw shall take effect on the date of final passing thereof.

READ A FIRST TIME this 19 day of April, A.D. 2010

Robert D. Juba  
MAYOR

D. Bennett  
CITY CLERK

READ A SECOND TIME this 19 day of April, A.D. 2010

Robert D. Juba  
MAYOR

D. Bennett  
CITY CLERK

READ A THIRD TIME this 19 day of April, A.D. 2010

Robert D. Juba  
MAYOR

D. Bennett  
CITY CLERK