



## AGENDA ITEM

1829842 Alberta Ltd O/a Bizi Transport

2021 Property Tax Late Penalty Cancellation Request

**November 10, 2021**

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### **BACKGROUND**

Attached is email correspondence from 1829842 Alberta Ltd (operating as Bizi Transport) in which the Company is requesting that Lacombe County cancel the \$1,306.01 in late payments levied on the Company's 2021 outstanding tax balance for its industrial property in Lacombe County.

Action requested of Council is consideration of this request.

### **ANALYSIS**

Bizi Transport is seeking the cancellation of the property tax penalties levied on its property on October 1<sup>st</sup>, 2021. As the Company indicates in its letter, the Company paid the taxes late (payment made October 12<sup>th</sup> and received October 15<sup>th</sup>). The Company indicated that the tax notice was sent to home address of the owner rather than the company's mailing address.

Penalties are levied on October 1<sup>st</sup> and December 1<sup>st</sup> each year in accordance with Bylaw 1326/20. A penalty of 6% is levied in October and a further penalty of 10% is levied in December. There are no other penalties levied during the year. Penalties, once levied, form part of the outstanding taxes for a property. Accordingly, only Council, by resolution, has the authority to cancel these penalties.

The County receives a number of these requests on an annual basis. In the past, Council has been firm in denying these requests. Requests have been granted only in situations where the County erred in assessing or taxing a property or made an error which caused or contributed to the payment not being made prior to the penalty date. In this case, the notice was mailed to the address of record (the same address that was used in 2020) and there is no indication that the late payment was the result of an error made by the County.



The County had already extended the payment deadline from August 31<sup>st</sup> to September 30<sup>th</sup> to reflect the impact of Covid on local taxpayers. If Council were to cancel the penalties levied against this tax account, it may be difficult to defend the denial of future requests involving similar or slightly dissimilar circumstances. As such, Council must be cognizant of the precedent that may be established in doing so.

Alternatives:

1. Deny the Request (by defeating the proposed resolution) (Administrative recommendation)
2. Approve the cancellation of late payment penalties of \$1,306.01, as requested by the property owner.
3. Take other action(s) as determined by Council.

**BUDGET IMPLICATIONS**

Any cancellation of late payment penalties will result in a reduction of late payment revenue of a corresponding amount.

**LEGISLATIVE RESPONSIBILITIES**

Section 347 (1) of the MGA states that “if a Council considers it equitable to do so, it may, generally or with respect to a particular taxable property or business or a class of taxable property or business, do one or more of the following, with or without conditions a) cancel or reduce tax arrears; b) cancel or refund all or any part of a tax; or c) defer the collection of a tax”.

**RECOMMENDATION**

That Council defeat the following resolution:

That Lacombe County cancel the \$1,306.01 late payment penalty levied on tax account #3927232040.

**PREPARED BY:** Michael Minchin, Corporate Services Director

**REVIEWED BY:** Tim Timmons, County Manager