



## AGENDA ITEM

### 2021 Property Tax Late Payment Penalty Cancellation Request

Tax Roll No. 3927242140

**January 13, 2022**

---

#### **BACKGROUND**

Attached is email correspondence from Mr. David Numan who is requesting that Lacombe County cancel the \$357.50 in late payments levied on his property in December 2021.

Action requested of Council is consideration of this request.

#### **ANALYSIS**

Mr. Numan is seeking the cancellation of the property tax penalties levied on his property on December 1<sup>st</sup>, 2021. As he states in his email, he paid the taxes late (payment made December 8, 2021). Mr. Numan constructed a new home in the County in November 2020. Mr. Numan indicates that although had mail forwarding in place at their previous residence, they did not receive the tax notice for their new property. They also state the County should have known the new address for the property as it was indicated on information required by the County to construct the property. They did not know taxes were outstanding until December when they received a notice from the County indicating that they had taxes outstanding.

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 tax notice was sent to the address of record in 2020 and 2021 as indicated on the certificate of title issued by land titles. The County, like most municipalities relies on this process as property owners can have a variety of mailing addresses and owner combinations. Once the owner contacted the County, staff sent a copy of the 2021 tax notice and a change of address form to file with Alberta Land Titles to the owner.

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 \$357.50, 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 \$357.50 late payment penalty levied on tax account #4102031001.

---

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

A blue ink signature of Michael Minchin, enclosed in a square box.

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

A blue ink signature of Tim Timmons, enclosed in a square box.