



AGENDA ITEM

2021 Property Tax Late Payment Penalty Cancellation Request

Tax Roll No. 3925091035

January 13, 2022

BACKGROUND

Attached is email correspondence from Mr. Brad Buchanan who is requesting that Lacombe County cancel the \$159.00 in late payments levied on his property in December 2021.

Action requested of Council is consideration of this request.

ANALYSIS

Mr. Buchanan is seeking the cancellation of the property tax penalties levied on his property on December 1st, 2021. As he states in his email, he paid the taxes late (payment made December 2, 2021). He does indicate that he received his reminder letter which was sent out on November 4, 2021. However, he forgot about it until December 2, 2021 due to some personal issues.

Penalties are levied on October 1st and December 1st 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 and the property owner indicates that the failure to pay was an error on his part. 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 31st to September 30th 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 \$159.00, 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 \$159.00 late payment penalty levied on tax account #3925091035.

PREPARED BY: Michael Minchin, Corporate Services Director

REVIEWED BY: Tim Timmons, County Manager