

Village of Hines Creek Council Request for Decision (RFD)

Meeting:	Regular Council Meeting
Meeting Date:	June 23, 2020
Originated By:	Leanne Walmsley, Chief Administrative Officer
Title:	Bylaws – Bylaw No. 595-20
File:	0110

BACKGROUND/PROPOSAL:

FILE COPY

Bylaw No. 498

A Bylaw of the Village of Hines Creek, in the Province of Alberta, for the purpose of Imposing Penalties on Unpaid Taxes.

Bylaw No. 595-20

A bylaw of the Village of Hines Creek, in the Province of Alberta for the purpose of amending Bylaw 498, Providing for the Imposition of Penalties on Unpaid Taxes.

Amendment is as follows:

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES

There are two acceptable approaches to implementing the property tax deferral:

Approach 1: Defer six-months' worth of education property tax

The required payment of the education portion of non-residential tax is deferred for six-month period, from April 1 to September 30. Municipalities are not obligated to defer any municipal property tax.

Approach 2: Implemented a combined municipal and education property tax deferral that is effectively equivalent to deferring six months' worth of property tax.

The required payment of the total non-residential property tax, both the education and municipal portion, is deferred beyond the tax penalty date to provide an immediate deferral of all property taxes in lieu of a full six month deferral of only the education portion.

Education Property Tax – Collection

8.a.

Municipalities are strongly encouraged to implement flexible payment plans for non-residential property owners unable to pay fully in 2020. At the same time, those businesses in a strong financial position that are capable of paying their taxes in full are strongly encouraged to do so to minimize the cash flow challenges facing municipalities.

Acknowledging that the challenging economy means that some municipalities may not be able to collect education property tax from all non-residential property taxpayers by the end of the year, the province will consider whether a broader education tax deferral or forgiveness program similar to the Provincial Education Requisition Credit program is required.

Education Property Tax – Invoicing

The province will maintain the non-residential education tax requisition amount for each municipality, but will defer invoicing of the non-residential portion to the December 2020 invoice. No amount will be included for the non-residential education property tax requisition on the June and September 2020 invoices. Therefore, the December 2020 invoice will be comprised of the June, September, and December non-residential invoice amount. Municipalities who believe they may be unable to remit the full amount on the December 2020 invoice should contact Municipal Affairs to discuss.

Municipal Tax Deferral

Municipal councils are responsible for determining the parameters of any tax deferral programs respecting municipal property tax including what classes of assessment are included, what portion of the tax levy is deferred and the timelines for the deferral. Municipalities have existing authority under the MGA to defer the collection of property taxes.

Municipal tax due dates are determined by setting the day on which penalties are imposed for non-payment of property taxes. Therefore, municipalities implement tax deferrals by delaying imposing penalties on property taxes. In this way, those that can afford to pay the outstanding taxes can do so any time after the tax notice is received, but have the flexibility of not incurring additional costs due to penalties for non-payment over an extended period of time.

Tax deferral decisions may also impact the collection of seniors' housing requisitions and the designated industrial property requisition. The seniors' housing requisition is due to be paid to the housing management body 90 days after the invoice from the housing management body is mailed, and the designated industrial property requisition is due to be paid to the province 30 days after the municipal tax due date.



Municipal Bylaws

Property tax penalty dates are generally approved by council in one of two ways, through a specific penalties bylaw, or directly in the annual property tax bylaw. To implement tax deferrals, those municipalities with penalties outlined in the annual tax rate bylaw will set the penalty dates in the bylaw in line with the tax deferral program approved by council and one of the options outlined in this document.

For those municipalities with specific tax penalty bylaws, it is recommended that an amending bylaw to the tax penalty be drafted and approved by council. The amending bylaw would stipulate the deferral tax penalty dates for the 2020 tax year only, again in line with the tax deferral program approved by council and one of the options outlined in this document.

Communications

Municipalities are required to include government messaging as an insert to their tax notice, to inform property taxpayers of their approach to education property tax deferral. This communication will help to assure taxpayers the municipal approach is consistent with the government direction to property tax deferral.

Municipal Action 1: Amend the relevant municipal bylaw, which imposes penalties on unpaid tax amount in accordance with council direction, in line with one of the options listed in this document.

Municipal Action 2: Communicate the changes to ratepayers.

Municipal Action 3: Include the provided messaging from the provincial government as an insert or addendum to the property tax notice.

Municipal Action 4: Consider the development of flexible payment plans for non-residential property taxes for those ratepayers unable to make full payment in 2020.

COSTS/SOURCE OF FUNDING (if applicable)

Non Residential Breakdown

<u>Assessed value</u>	<u>Tax Revenue</u>
\$4,397,010.00	\$16,796.49

Attached samples of Government inserts

RECOMMENDED ACTION:

That Council defer the education property tax amounts this year until September 30, 2020 without penalty.

That Council choose to provide a combined municipal and education property tax deferral that is effectively equivalent to a six-month education property tax deferral until September 30, 2020.

Initials show support- Reviewed by:	Manager:	C.A.O. <i>fw</i>
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Bylaw 595-20

A BYLAW OF THE VILLAGE OF HINES CREEK, IN THE PROVINCE OF ALBERTA, FOR THE PURPOSE OF AMENDING BYLAW 498, PROVIDING FOR THE IMPOSITION OF PENALTIES ON UNPAID TAXES.

WHEREAS Section 344 and 345 of the Municipal Act, 2000, M-26, as amended, authorizes a municipality to provide penalties on unpaid taxes;

AND WHEREAS Council has deemed it necessary to amend Bylaw 498 with regards to imposing penalties during times of a provincially declared emergency (human emergency or pandemic).

NOW THEREFORE, the Council of the Village of Hines Creek enacts as follows:

That No. 4 of Bylaw 498 have the following additions:

b. That Council delegates authority to the Chief Administrative Officer, or their delegate, of the Village of Hines Creek to take action, where necessary, during a Provincial declared emergency.

Such action may include:

- Deferring the collection of all or a portion of property taxes.

c. That the CAO will report to Council on any actions taken during a Provincially declared emergency

SEVERABILITY If any portion of this Bylaw is declared invalid by a court of competent jurisdiction, then the invalid portion shall be severed.

EFFECTIVE DATE: That this Bylaw shall come into force and effect on the date of final reading and signing hereof.

READ a first time this _____ day of _____, 2020.

READ a second time this _____ day of _____, 2020.

Given UNANIMOUS consent to go to third reading on this _____ day of _____, 2020.

READ, a third time and finally passed this _____ day of _____, 2020.

Hazel Reintjes
Mayor

Leanne Walmstey
Chief Administrative Officer

BY-LAW NO. 498

A BY-LAW OF THE VILLAGE OF HINES CREEK, IN THE PROVINCE OF ALBERTA, FOR THE PURPOSE OF IMPOSING PENALTIES ON UNPAID TAXES.

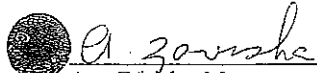
WHEREAS, the Council of the Village of Hines Creek may provide for penalties on unpaid taxes in accordance with the provisions of Sections 344 of the Municipal Government Act, Revised Statutes of Alberta, 2000, and amendments thereto; and

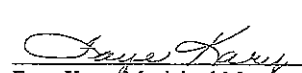
WHEREAS, the Council of the Village of Hines Creek are desirous of providing for penalties on unpaid taxes.

NOW THEREFORE, THE COUNCIL OF THE VILLAGE OF HINES CREEK, IN THE PROVINCE OF ALBERTA, DULY ASSEMBLED, ENACTS AND FOLLOWS:

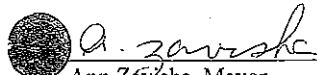
1. THAT, annually Administration shall recommend to Council, the tax due date, and Council shall by resolution fix the due date for taxes. The due date shall not be less than thirty (30) days after the date of mailing of tax notices.
2. THAT, a penalty of fourteen percent (14%) shall be applied to all outstanding taxes on the date following the due date.
3. THAT, on any taxes remaining unpaid after the 31st day of December, there shall be added thereto by way of penalty, 14% (fourteen per cent), on the 1st day of January of the next succeeding year, and each succeeding year thereafter, so long as the taxes remain unpaid.
4. THAT, all penalties shall be added to and form part of the taxes.
5. THAT, this by-law shall take effect on date of final reading hereof.
6. THAT, By-law No 370 is hereby rescinded.

READ a first time, this 28th day of May, 2002, A.D.


Ann Zavisha, Mayor

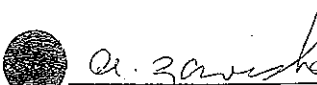

Faye Kary, Municipal Manager

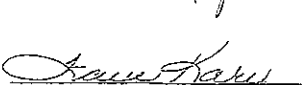
READ a second time, this 28th day of May, 2002 A.D.


Ann Zavisha, Mayor


Faye Kary, Municipal Manager

READ a third and finally passed, this 28th day of May, 2002 A.D.


Ann Zavisha, Mayor


Faye Kary, Municipal Manager

2020 non-residential education property tax

The Government of Alberta is doing everything it can to support businesses through the COVID-19 pandemic.

On March 23, 2020, the government announced property tax changes to assist businesses and keep the economy running.

To help businesses remain solvent, the government is deferring six months' worth of education property tax for all non-residential properties in Alberta.

What this means for you

Businesses will see their 2020 education property tax amount deferred this year. Education property tax amounts will not begin to be collected until October 2020.

We encourage you pay the full amount of your taxes now if you are able to. Property owners are strongly encouraged to immediately pass on the benefits of any tax deferrals to their business tenants.

While deferred taxes are still due in 2020, we are also encouraging municipalities to implement flexible payment plans for non-residential property owners unable to pay fully in 2020.

For further information about your municipality's specific approach, please contact your municipal administration using the contact information provided on the tax notice.

The logo for the Government of Alberta, featuring the word "Alberta" in a stylized, cursive font with a small crown-like element above the letter 'a'.

2020 non-residential education property tax

The Government of Alberta is doing everything it can to support businesses through the COVID-19 pandemic. On March 23, 2020, the government announced property tax changes to assist businesses and keep the economy running.

The government is working with municipalities to defer property taxes to help your business remain solvent.

Your municipality has chosen to provide a combined municipal and education property tax deferral that is effectively equivalent to a six-month education property tax deferral.

If you are able to pay your property taxes now, we encourage you to do so. Property owners are strongly encouraged to immediately pass on the benefits of any tax deferrals to their business tenants.

While deferred taxes are still due in 2020, we are also encouraging municipalities to implement flexible payment plans for non-residential property owners unable to pay fully in 2020.

For further information about your municipality's specific approach, please contact your municipal administration using the contact information provided on the tax notice.

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Because property taxes in your municipality are typically due after October 1, which already aligns with the deferral period for education property taxes, no additional deferral will be provided.

We encourage you to pay the full amount of your taxes now if you are able to. Property owners are strongly encouraged to immediately pass on the benefits of any tax deferrals to their business tenants.

While deferred taxes are still due in 2020, we are also encouraging municipalities to implement flexible payment plans for non-residential property owners unable to pay fully in 2020. For further information about your municipality's specific approach, please contact your municipal administration using the contact information provided on the tax notice.

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