

TOWN OF MORINVILLE
PROVINCE OF ALBERTA
UNPAID PROPERTY TAX AND TAX ARREARS PENALTY BYLAW
BYLAW 1/2021
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A BYLAW OF THE TOWN OF MORINVILLE IN THE PROVINCE OF ALBERTA TO PROVIDE FOR THE IMPOSITION OF PENALTIES ON UNPAID TAXES AND TAXES IN ARREARS.

BEING a Bylaw of the Town of Morinville for the purpose of requiring taxes to be payable on a certain day or days and a penalty to be imposed at the rates set out in the bylaw;

WHEREAS, under the provisions of Section 344 and 345 of the Municipal Government Act, and amendments thereto, a Council under Bylaw may impose a penalty on unpaid taxes on a certain date;

WHEREAS, under the provisions of Section 418(4) of the Municipal Government Act, a Council may enter into an agreement with the owner of a parcel of land shown on its tax arrears list;

WHEREAS, Council considers it advisable to authorize the establishment of a Tax Arrears Payment Plan;

NOW THEREFORE, the Council of the Town of Morinville in regular meeting duly assembled enacts as follows:

1.0 DEFINITIONS

- 1.1 **"Act"** means the Municipal Government Act.
- 1.2 **"Anticipated taxes"** means an estimate of taxes that will be imposed during the tenure of the Tax Arrears Payment Agreement.
- 1.3 **"Certificate of Lis Pendens"** means a mere allegation of fact, i.e. that an action is pending, and the registration is designed to give notice to persons dealing with the land that some interest therein is called in question.
- 1.4 **"Current taxes"** means taxes referred to in section 344 of the Act.
- 1.5 **"Municipality"** means municipal corporation of the Town of Morinville;
- 1.6 **"Reduced penalty"** shall be half (1/2) of the penalty changed pursuant to subsection 2 (1.2).
- 1.7 **"Tax Arrears Payment Agreement"** means an agreement established pursuant to section 3 between the municipality and a taxpayer for payment of outstanding taxes referred to in section 344 and 345 of the Act.
- 1.8 **"Tax Arrears Payment Schedule"** means a schedule attached to the Tax Arrears Payment Agreement scheduling the collection of tax arrears, any taxes levied during the term of the agreement, penalty, payment term and payment amount.
- 1.9 **"Tax Installment Payment Plan"** means the plan authorized in the annual Tax Instalment Payment Plan Bylaw.
- 1.10 **"Tax penalties"** means the penalties imposed pursuant to the Imposition of Penalties on Unpaid Taxes and Taxes in Arrears Bylaw.
- 1.11 **"Taxes"** means all taxes imposed by the municipality pursuant to the Act or any other statute of the Province of Alberta, including property taxes, local improvement taxes, special maintenance taxes, business revitalization zone taxes, the amounts which in the even 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.
- 1.12 **"Taxes in arrears"** means taxes which remain unpaid after December 31 of the year in which they were imposed, including penalties on such taxes pursuant to section 345 of the Act.
- 1.13 **"Taxpayer"** means a person liable to pay taxes pursuant to section 331 and 373 of the Act.
- 1.14 **"Year"** means a calendar year.


2.0 UNPAID PROPERTY TAX PENALTY

- 2.1 In the event of any current taxes remaining unpaid after the 30th day of June in the same year in which the taxes are levied, there shall be added thereto, by way of a penalty an amount of seven and a half (7.5%) percent on the first working day of July.
- 2.2 If after the last day of December in any year, any taxes which became due and payable in any preceding year remain unpaid, there shall be added thereto by way of penalty an amount of nine (9%) percent on the first working day of January of the subsequent and each succeeding year so long as the taxes remain unpaid and any penalty imposed hereunder shall be added to and form a part of the unpaid taxes.

3.0 TAX ARREARS PAYMENT AGREEMENT

- 3.1 A taxpayer who is two (2) years in arrears or more owing to the municipality may request to pay tax arrears, current taxes and anticipated future taxes by installments pursuant to a payment agreement.


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- 3.2 A request pursuant to subsection 3.1 shall be approved by the municipality pursuant to the provisions of the Act provided that the following conditions have been satisfied:
- 3.2.1 The Taxpayer shall complete and sign the tax arrears payment agreement and forms prescribed by the municipality to enable the municipality to collect:
- 3.2.1.1 installment payments pursuant to the Tax Installment Payment Plan by way of pre-authorized debit of funds from an account of the Taxpayer at a bank, treasure branch, trust company or credit union pre-authorized debit; or
- 3.2.1.2 by such other means as approved by the municipality.
- 3.2.2 The Taxpayer shall undertake to pay all taxes pursuant to the Tax Arrears Payment Agreement on a monthly installment basis pursuant to section 3.2 (a) over a term not exceeding thirty-six (36) months.
- 3.3 The taxpayer upon completion of the Tax Arrears Payment Agreement will be encouraged to enroll in the Tax Installment Payment Plan moving forward.


4.0 INSTALLMENTS

- 4.1 All taxes paid pursuant to a Tax Arrears Payment Agreement shall be paid with monthly installments calculated on the Agreement Schedule and payable on the dates established under the Tax Installment Payment Plan Bylaw.
- 4.2 The term of a Tax Arrears Payment Agreement shall be determined by the municipality having regard to:
- 4.2.1 the amount of any outstanding taxes including taxes in arrears;
- 4.2.2 the amount of anticipated taxes;
- 4.2.3 the length of the term required for the timely completion of the Tax Arrears Payment Agreement to transition the Taxpayer into the Tax Installment Payment Plan;
- 4.2.4 such other matters the municipality considers reasonably advisable;
- and shall not exceed a maximum of thirty-six (36) months from the effective date of the Tax Arrears Payment Agreement.
- 4.3 The amount of the installments to be paid pursuant to subsection 4.1 shall be calculated by determining payment of the outstanding taxes including the taxes in arrears and the anticipated taxes that are to be paid under the agreement:
- 4.3.1 all outstanding taxes including taxes in arrears up to the effective date of the Tax Arrears Payment Agreement;
- 4.3.2 the anticipated taxes payable during the term of the Tax Arrears Payment Agreement; and
- 4.3.3 the estimated penalties pursuant to section 5 based upon the term of the Tax Arrears Payment Agreement;
- divided by the number of installments included in the term of the Tax Arrears Payment Agreement. All installments shall be applied first in payment of the tax arrears.
- 4.4 The Taxpayer, after the commencement of a Tax Arrears Payment Agreement, may request to have the term of the Tax Arrears Payment Agreement reduced, or if the term of the Tax Arrears Payment Agreement is less than twenty-four (24) months, the Taxpayer may apply to have the term of the Tax Arrears Payment Agreement extended, subject to the discretion of the municipality, to the maximum of thirty-six (36) months in accordance with subsection 3.2. Upon the term being reduced or extended, the installments shall be adjusted by the municipality accordingly.

5.0 PENALTIES

- 5.1 Subject to sections 2 of this Bylaw, penalties shall not be applied to current taxes or taxes in arrears during the term of a Tax Arrears Payment Agreement.
- 5.2 The Taxpayer shall instead pay a reduced penalty from the effective date of the Tax Arrears Payment Agreement to the completion of the Agreement on the outstanding taxes and anticipated taxes. The discounted penalty shall be half (1/2) of the penalty charged on subsection 2.2. This discounted rate of penalty shall be applied each month in an amortized fashion and will decrease as monthly payments are made.


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6.0 TERMINATION

- 6.1 The Tax Arrears Payment Agreement shall come to an end and terminate if:
- 6.1.1 the taxpayer fails to make a payment contemplated by the Agreement on the date it is required, or is otherwise in breach of the Agreement;
 - 6.1.2 the taxpayer files for, or is placed in, bankruptcy; or
 - 6.1.3 the property is the subject of foreclosure proceedings or a Certificate of Lis Pendens is filed on the title to the lands.
- 6.2 Upon termination of the Agreement the full amount of the outstanding tax arrears including the costs and penalties that would normally have applied to the arrears pursuant to this Bylaw is immediately payable to the municipality and the municipality shall immediately be able to proceed with tax recovery actions in accordance with the Act to recover the tax arrears.

7.0 LANDOWNER'S RESPONSIBILITY

- 7.1 The landowner shall not do anything, or permit anything to be done, including:
- 7.1.1 the registration of any liens or other interest on the title to the Lands;
 - 7.1.2 the removal of any improvements from the lands; or
 - 7.1.3 any other action or matter that may prejudice the priority of the municipality's claim against the Lands.

8.0 SALE OF LAND


- 8.1 When a Taxpayer sells property to which a Tax Arrears Payment Agreement applies, the Tax Arrears Payment Agreement shall be deemed terminated and all overdue taxes, both current and taxes in arrears shall become due and payable effective on the date of closing
- 8.2 The taxpayer must notify the municipality of the pending sale to be eligible to receive the reduced penalty rate.

9.0 ADJUSTING INSTALLMENTS

The municipality may revise the amount of the monthly installments payable under a Tax Arrears Payment Agreement schedule:

- (a) to reflect changes to the assessed value of the property or business;
- (b) to reflect changes in the discounted tax penalty rate as determined by changes to the tax penalty rate pursuant to this bylaw;
- (c) to reflect differences between the anticipated and actual current taxes during the term of the Tax Arrears Payment Agreement;
- (d) to account for a lump sum payment of taxes made by the Taxpayer;
- (e) to reflect the imposition, termination or lump sum payment of local improvement taxes, special maintenance levies and/or any other related charges;
- (f) to reflect the increase in payments and penalties required as a result of a failure to pay any installments;
- (g) to provide for payment pursuant to the Tax Arrears Payment Agreement of 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; or
- (h) to provide for or reflect such other matters as the municipality reasonably considers advisable.

- 10.0 That this Bylaw shall come into full force and effect upon the final passing thereof.



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11.0 SEVERABILITY


13.1 If any Section or parts of this bylaw are found in any court of law to be illegal or beyond the power of Council to enact, such Section or parts shall be deemed to be severable and all other sections or parts of this bylaw shall be deemed to be separate and independent there from and to be enacted as such.

That Bylaw 12/2020 is hereby rescinded when Bylaw 1/2021 receives third and final reading.

READ a first time this 26th day of January, 2021

READ a second time this 9th day of February, 2021

READ a third time this 9th day of February, 2021



Barry Turner

Mayor



Stephane Labonne

Chief Administrative Officer