



# City of Port Moody

## Report to Finance Committee

Date: April 9, 2021  
Submitted by: Finance and Technology Department – Financial Services Division  
Subject: 2021 Property Tax Due Dates and Penalties

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### Purpose

To obtain Finance Committee approval to bring forward to Council a Bylaw to amend the 2021 property tax due dates and penalties in response to COVID-19 and to the province taking over Home Owner Grant applications.

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### Recommended Resolution(s)

**THAT staff be directed to prepare an Alternative Municipal Tax Collection Scheme Bylaw with a:**

- **July 2, 2021 due date;**
- **July 3, 2021 5% penalty on outstanding taxes;**
- **September 16, 2021 5% penalty on outstanding taxes; and**
- **penalty waiver for unclaimed current year Home Owner Grants until September 15, 2021**

**as recommended in the report dated April 9, 2021 from the Finance and Technology Department – Financial Services Division regarding 2021 Property Tax Due Dates and Penalties.**

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### Background

The Community Charter provides a general tax collection scheme under which taxes are due on July 2 (*Community Charter* section 234). Per *Community Charter* section 235, Councils may choose to offer an alternative tax collection scheme by bylaw to establish its own due dates and penalties for property taxes.

Historically, the City has followed the General Tax Collection Scheme (GTCS) as legislated under section 234 of the *Community Charter*, with a due date of July 2. Failure to pay by the due date would result in 5% penalty. A second 5% penalty was applied on the sixth business day in August (As per the Penalty Date Bylaw, Bylaw No. 2455). Penalties also applied to any outstanding Home Owner Grants.

At the April 6, 2021 Finance Committee meeting, the following resolution was passed:

FC21/036

THAT staff be directed to report back with alternate due dates for 2021 property taxes.

In an effort to alleviate financial pressures of the COVID-19 Pandemic on property owners in the City, Council may choose to implement an Alternative Tax Collection Scheme (ATCS), as permitted under section 235 of the *Community Charter*, for 2021. If a municipality has an ATCS in effect, alternate due dates and penalties can be applied.

## Discussion

### Adjustments to penalty dates in response to COVID-19

To ease the financial burden faced by many as a result of the COVID-19 pandemic, staff are recommending an initial property tax due date of July 2, 2021. On July 3, 2021, a 5% penalty would be applied to all current year outstanding taxes. A second 5% penalty would be applied on September 16, 2021. This would provide taxpayers an additional five weeks between the first and second penalty.

### Adjustments to penalty for unclaimed Home Owner Grants.

Starting in 2021, residents no longer apply for the Home Owner Grant through the City. Property owners must apply directly to the province by using a new online system, calling into a provincial call centre, or visiting a Service BC location. City staff are expecting some confusion and “growing pains” as the province takes over the administration of this program and residents are required to follow a new application process.

As a result, staff are recommending that the penalty on outstanding Home Owner Grants for the current year be waived if the resident applies for the Home Owner Grant before the second penalty date of September 16, 2021. Residents will receive an outstanding notice for their property taxes, and will have the opportunity to claim their Home Owner Grant without facing additional penalties. If a Home Owner Grant is not claimed by September 15, 2021, the total 10% penalty would apply and could not be reversed or waived.

### Tax Sale

Staff have not been informed if the provincial order enabling the postponement of the Annual Tax Sale (last Monday in September) will be extended to 2022. Ensuring that all penalty dates are before the tax sale date would guarantee that the upset price at tax sale is inclusive of all outstanding charges including penalties for 2021.

### Regional Context

A recent email poll of collectors in the region indicated that most municipalities were not considering additional changes for 2021, and were returning to their normal (pre COVID-19) due dates and penalty structures. However, many municipalities have a later second penalty date and offer penalty waivers on unclaimed Home Owner Grants.

## Other Option(s)

THAT the report dated April 9, 2021 from the Finance and Technology Department – Financial Services Division regarding 2021 Property Tax Due Dates and Penalties be received for information.

The Committee may also provide alternative direction regarding the due date(s) and associated penalties for the 2021 property taxes. It is important to consider that the use of penalties encourages and incentivizes prompt payment of property taxes, which are used to fund critical City services.

## Financial Implications

Delaying property tax due dates (or penalty dates) would slow cash flows for the City. Delays and reductions in penalties would reduce the penalty revenue the City receives in 2021.

## Communications and Civic Engagement Initiatives

Information regarding this change will be posted on the City's website, included in the tax newsletter, and clearly stated on the property tax bill.

## Council Strategic Plan Objectives

This change is in line with Council's strategic priority of Exceptional Service and Council's objective of ensuring that our customers are highly satisfied the quality of our service.

## Report Author

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## Report Approval Details

Document Title:	2021 Property Tax Due Dates and Penalties.docx
Attachments:	
Final Approval Date:	Apr 12, 2021

This report and all of its attachments were approved and signed as outlined below:

Paul Rockwood, General Manager of Finance and Technology - Apr 11, 2021 - 5:08 PM

Dorothy Shermer, Corporate Officer - Apr 12, 2021 - 10:55 AM

Rosemary Lodge, Manager of Communications and Engagement - Apr 12, 2021 - 1:52 PM

Tim Savoie, City Manager - Apr 12, 2021 - 2:09 PM