



# City of Port Moody

## Report/Recommendation to Council

Date: April 21, 2021

Submitted by: Finance and Technology Department – Financial Services Division

Subject: Alternative Municipal Tax Collection Scheme Bylaw

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### Purpose

To present the proposed City of Port Moody Alternative Tax Collection Scheme Bylaw for Council consideration.

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### Recommended Resolution(s)

**THAT City of Port Moody Alternative Tax Collection Scheme Bylaw, 2021, No. 3311 be read a first, second, and third time as recommended in the report dated April 21, 2021 from the Finance and Technology Department – Financial Services Division regarding Alternative Municipal Tax Collection Scheme Bylaw.**

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### Background

The *Community Charter* provides a general tax collection scheme under which taxes are due on July 2 each year. Per *Community Charter* section 235, Councils may choose to offer an alternative tax collection scheme by bylaw, where it can 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. 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.

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.

Staff reported back to the Finance Committee meeting held on April 20, 2021, where the following resolution was passed:

FC21/038-039

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

- July 2, 2021 due date;
- 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.

## Discussion

The Finance Committee has directed staff to prepare an Alternative Municipal Tax Collection Scheme Bylaw with a due date of July 2, 2021, a 5% penalty applied to outstanding current year taxes as of September 16, 2021, and a penalty waiver for unclaimed current year Home Owner Grants until September 15, 2021.

## Other Option(s)

THAT the Alternative Municipal Tax Collection Scheme Bylaw be referred back to staff and/or the Finance Committee for further deliberations, acknowledging that the due dates and penalties must be known prior to printing and distributing the annual property tax notices.

## Financial Implications

The City is legislated to collect and remit payments to other government agencies, the majority of which must be remitted by July 31. Extending the due date and/or penalty date would result in a reduced cash flow between June and September; however, finance staff expect to have sufficient funds to during this period.

The reduction of the penalty to 5% will result in less penalty revenue (budgeted at \$224,000 in 2021); however, this assumes regular levels of tax collection (approximately 90% by second penalty date). Should the City's property tax collection rate be reduced due to COVID-19, we may see increased penalty revenues over 2020 (\$75,000); however, it is unlikely that the 2021 budgeted penalty revenue of \$224,000 would be met.

## 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 our customers are highly satisfied the quality of our service.

## Attachment(s)

1. Draft City of Port Moody Alternative Tax Collection Scheme Bylaw, 2021, No. 3311.

## Report Author

Tyson Ganske, CPA, CGA  
Manager of Financial Planning

## Report Approval Details

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|----------------------|---|
| Document Title:      | City of Port Moody Alternative Municipal Tax Collection Scheme Bylaw.docx                                       |
| Attachments:         | - Attachment 1 - Draft City of Port Moody Alternative Municipal Tax Collection Scheme Bylaw, 2021, No. 3311.pdf |
| Final Approval Date: | Apr 27, 2021  |

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

Paul Rockwood, General Manager of Finance and Technology - Apr 24, 2021 - 5:48 PM

Tracey Takahashi for Dorothy Shermer, Corporate Officer - Apr 26, 2021 - 11:11 AM

Rosemary Lodge, Manager of Communications and Engagement - Apr 26, 2021 - 11:21 AM

Tim Savoie, City Manager - Apr 27, 2021 - 8:39 AM