

TITLE: TAX BILLING, PENALTIES, AND ARREARS POLICY

RESOLUTION NUMBER: 2024-06-16

POLICY #: CP-018

EFFECTIVE DATE: JUNE 25, 2024

SUPERSEDES:

UP FOR REVIEW: 2028

Purpose

To provide all Town of Magrath property owners with clarification of the processes the Town adheres to regarding tax billing, how penalties are applied, and how arrears are dealt with.

Definitions

Arrears – means payments that are overdue.

Property Owner(s) – means a person(s) or company that has possession of title for the land, building, house or other items.

Tax Billing

The Town of Magrath tax notices are mailed out to all property owners on or about the 15th day of May each year. The tax notice is a combined Notice of Assessment and Notice of Taxes. Where the property owner has renters on their property, the owner may request a copy of the combined notice be sent to their renters as well, however, the property owner is ultimately responsible for the payment of all taxes assessed to the property.

Taxes are due and payable to the Town of Magrath by the 30th of June each year unless prior arrangements for a monthly payment plan have been entered into with the Town of Magrath.

Tax Penalties

Payments for taxes are due by the 30th of June each year. Annual payments made by telephone or online banking must be processed through the bank by the 30th to avoid penalties. Any unpaid balance of current year taxes will be charged a one-time penalty on July 1 of 12%. All outstanding balances will be charged a 2% per month penalty after the last day of each month.

For individuals that are on a monthly payment plan, all payments must be processed through the bank by the last day of the month.

If the Town does not receive notification from a bank regarding the payment of taxes and as a result, late payment penalties are applied, upon confirmation from the bank of payment being made by the customer, penalties will be credited back to the customer's tax account.

Any dispute regarding penalties applied to an account must be presented to Council for consideration of removing or relieving the penalties.

Tax Arrears

Any account that is in arrears for more than one year will be placed on the Tax Notification list as required in the Municipal Government Act (MGA) Division 8 – Recovery of Taxes Related to Land. Along with being on the Tax Notification list, a lien will be placed on the property and if after two years of arrears the debt is still outstanding, the Town of Magrath will follow the procedures outlined in the MGA to recover taxes by obtaining the property through a tax sale.