



**City of
Lloydminster**

Policy

Policy Title:	Tax Arrears Agreement Policy	Policy Number:	137-03
Date of Adoption:	March 27, 2023	Motion Number:	116-2023
Date of Amendment:		Motion Number:	
Sponsoring Department:	Assessment and Taxation		

1. Purpose:

1.1. To provide for consistent administration of Tax Arrears Agreements.

2. Definitions:

Administration	An employee or contract employee of the City of Lloydminster.
City	The corporation of the City of Lloydminster.
Member of Council	An individual elected pursuant to <i>The Local Government Election Act</i> (Saskatchewan) as a Member of Council.
Property Tax PAD Agreement	An agreement between the City of Lloydminster and a Taxpayer to arrange for automatic withdrawals from the taxpayer's bank account for their following year property taxes.
Tax Arrears	As defined in <i>The Lloydminster Charter</i> .
Tax Arrears Agreement	A formal agreement between the City and a Taxpayer for payment of Tax Arrears.
Tax Arrears Pre-Authorized Debit (PAD) Agreement	An agreement between the City and a Taxpayer to arrange for automatic withdrawals from the taxpayer's bank account for tax arrears.
Taxpayer	As defined in <i>The Lloydminster Charter</i> .

3. Scope:

3.1. This Policy applies to all members of Administration who administer and/or collect property tax payments.

4. Tax Arrears Agreement:

4.1. A Tax Arrears Agreement may be applied for at the discretion of the City Manager, or their delegate.

4.2. A Tax Arrears Agreement may be entered into:

- 4.2.1. Prior to the offer of a property for sale at public auction in accordance with the *Municipal Government Act*, or;
- 4.2.2. Prior to the City making an application for title that has not been redeemed pursuant to *The Tax Enforcement Act*.
- 4.3. The Tax Arrears Agreement may allow for payment of the Tax Arrears and current taxes over a period not exceeding three (3) years.
- 4.4. The Tax Arrears Agreement shall be signed by the Taxpayer and two delegates from the City.
- 4.5. The terms and conditions of the Tax Arrears Agreement shall be set by the City Manager or delegate.
- 4.6. A Tax Arrears Agreement does not excuse any penalties on the property's outstanding taxes. The property tax account shall remain subject to all applicable penalties and any applicable tax lien registrations.

5. Payment Methods:

- 5.1. Payment in accordance with the Tax Arrears Agreement may be made by any of the following payment methods:
 - 5.1.1. Tax Arrears PAD Agreement;
 - 5.1.2. Recurring payments set up through the Taxpayer's financial institution; and
 - 5.1.3. Post-dated cheques for the duration of the Tax Arrears Agreement.

6. Tax Arrears PAD Agreement:

- 6.1. A Tax Arrears PAD Agreement shall:
 - 6.1.1. be submitted in the prescribed form to the City Assessment & Taxation department and be signed by the Taxpayer;
 - 6.1.2. have one and only one payment option selected;
 - 6.1.3. indicate the payment amount as specified in the Tax Arrears Agreement;
 - 6.1.4. include a VOID cheque or a Pre-Authorized Debit form from the Taxpayer's financial institution;
 - 6.1.5. be submitted at least five (5) business days prior to the first scheduled withdrawal date.
- 6.2. A Tax Arrears Agreement shall be submitted along with the Tax Arrears PAD Agreement.
- 6.3. The Tax Arrears PAD Agreement shall remain in effect until:

- 6.3.1. the City has received written notification in the prescribed form to cancel or change the Tax Arrears PAD Agreement;
 - 6.3.2. the Tax Arrears Agreement expires; or
 - 6.3.3. if the Taxpayer(s) breach the agreement.
- 6.4. Any cancellation or change of the Tax Arrears PAD Agreement shall be received at least ten (10) business days prior to the next scheduled withdrawal date. Unless notification is received, the Tax Arrears PAD Agreement will renew automatically on an annual basis for the duration of the Tax Arrears Agreement.
- 6.5. The Tax Arrears PAD Agreement is specific to the property tax roll number and address indicated on the application. If the Taxpayer moves, they shall cancel their current Tax Arrears PAD Agreement. The Tax Arrears PAD Agreement shall not be transferred to another property.
- 6.6. A Tax Arrears PAD Agreement shall be terminated without prior notice if:
- 6.6.1. a payment withdrawn from the account is dishonored for two (2) consecutive months by the Taxpayer's financial institution;
 - 6.6.2. a payment withdrawn from the account is dishonored three (3) times in a twelve (12) month period by the Taxpayer's financial institution; or
 - 6.6.3. title of the property identified in the Tax Arrears PAD Agreement transfers to a new property owner without cancellation of the agreement.
- 6.7. Any payments that are dishonored by the Taxpayer's financial institution will be subject to any applicable NSF fees or charges.
- 6.8. Upon receipt of a new or revised Tax Arrears PAD Agreement, all prior Tax Arrears PAD Agreements between the City and the Taxpayer shall be revoked upon the effective date of the new Tax Arrears PAD Agreement.
- 6.9. A Tax Arrears PAD Agreement may be converted into a Property Tax PAD Agreement once all tax arrears and current taxes are paid in full, at the approval of the City.

7. Recurring Payments

- 7.1. Proof of recurring payments must be provided to the City, upon request, in a form acceptable to the City.
- 7.2. The amount of the recurring payment shall match the amount specified in the Tax Arrears Agreement.
- 7.3. Recurring payments as specified in the Tax Arrears Agreement shall not be cancelled without prior written approval from the City.

8. Post-Dated Cheques

- 8.1. Post-dated cheques shall be dropped off at City Hall for the duration of the Tax Arrears Agreement, in accordance with the timelines and provisions of the agreement.
- 8.2. All amounts and dates on the post-dated cheques shall be as specified in the Tax Arrears Agreement.

9. Termination

- 9.1. The Tax Arrears Agreement shall be terminated:
 - 9.1.1. if the Taxpayer fails to make a payment indicated by the agreement on the date it is required;
 - 9.1.2. if the Taxpayer files for, or is placed in bankruptcy;
 - 9.1.3. some other party takes legal proceedings in respect of the lands; or
 - 9.1.4. upon expiry of the Agreement.
- 9.2. Termination of the Tax Arrears Agreement shall result in:
 - 9.2.1. the full amount of outstanding taxes, including all penalties, becoming immediately payable to the City; and
 - 9.2.2. the immediate continuation of any tax enforcement procedures underway prior to the commencement of the Tax Arrears Agreement.

10. Penalty:

- 10.1. Any member of Administration found to be in violation of this Policy may be subjected to a disciplinary action. Such action may be dependent upon the nature of the breach of this Policy; discipline may range from a verbal warning to dismissal with cause.
- 10.2. Any Member of Council found to be in violation of this Policy may be dealt with utilizing the "*Code of Conduct Bylaw*" or provisions of "*The Lloydminster Charter*."

11. Responsibility:

- 11.1. City Council shall review and approve all policies.
- 11.2. Administration shall administer this Policy through the use of a supporting procedure.
- 11.3. Sponsoring Department shall be responsible for creating and amending a supporting procedure.