

2014-266

MEMORANDUM

TO: Mayor and Council
FROM: Municipal Treasurer
DATE: October 22, 2014
RE: **Requests to Write-Off Penalty on Late Tax Payments**

BACKGROUND:

At the August 18 meeting Council considered four requests from homeowners to apply to the Minister for approval to write-off the penalty on the late payment of taxes. Two of the requests were supported by Council, and letters were sent to the Ministry of Community, Sport and Cultural Development, explaining the circumstances and asking for permission to write-off the penalties.

We have received correspondence from the Ministry denying our applications, and explaining the very few circumstances under which future requests will be considered. A copy of the letter is attached for your information. Since receiving this letter, the writer has contacted me to remove a Canada Post strike as a circumstance under which a request would be entertained; this is because there are now so many other ways of paying taxes. As stated in the letter, the stricter adherence to the Municipal Tax Regulation by both the Ministry and municipal staff will help to limit the administrative burden on Councils and their staff. I have instructed the Finance staff to no longer give the option of writing to Council when somebody wishes to discuss a penalty.

We have received two more requests to Council which came in during September, before the contents of the Ministry's letter had been passed on to staff, and they are attached to this memorandum.

DISCUSSION:

The two requests before Council are:

1. 641 Oliver – penalty of \$478.28

The application to defer the taxes on this property, along with the Homeowner Grant application and payment of the solid waste charge (which cannot be deferred) were received at our office on July 22. Until the signed forms are received, the District cannot apply to the Province for reimbursement of the taxes and Homeowner Grant.

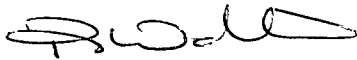
2. 2014 McLaren Avenue – penalty of \$421.69

The applicant had informed BC Assessment of the change to a temporary mailing

address in 2013. He also states that he phoned our office later in July 2013 with his new permanent mailing address. We only change addresses if the notification comes from either the Land Titles Office or in writing from the owner, and he would have been told this when he phoned our office. The Tax Clerk was at work during July, and would have been the person who responded to his phone call. We have no record of receiving a change of address request from the owner, and the tax notice that was sent to his old Vancouver address was not returned by Canada Post to our office.

RECOMMENDATION:

That Council receives the correspondence and denies the applications while sympathetic to the fact that the property owners are undoubtedly conscientious about payment deadlines



Patricia A. Walker
Municipal Treasurer

I concur with the recommendation of the Municipal Treasurer



Helen M. Koning
Chief Administrative Officer



Ref: OAK 40

September 9, 2014

Patricia A. Walker
The District of Oak Bay
2167 Oak Bay Avenue
Victoria, BC V8R 1G2

Dear Ms. Walker:

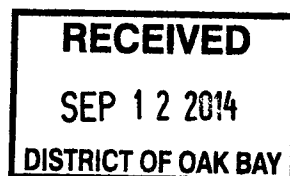
Thank you for your letters of August 22, 2014 requesting that the write-off of property tax penalties be permitted for two properties in the District. I am unable to recommend to the Minister that these requests be granted.

In the case of illness or emergency, any other person, such as a lawyer, accountant or family member, may remit the property taxes on behalf of the property owner. Under limited circumstances, a municipality may request that a penalty, once applied, be written off, but only when there is no other option, for example due to business bankruptcy, a BC Assessment error, or extraordinary circumstances, such as a Canada Post or city hall strike.

To encourage timely payment of property taxes, section 3 of the Municipal Tax Regulation under the *Community Charter* requires municipalities to add a one-time penalty of 10 percent to property taxes unpaid after the due date in a year. The penalty is not discretionary and must be applied regardless of circumstance. When viewed from the perspective of all the municipalities in the Province of British Columbia, the regulation ensures an equitable application of the penalty conditions to all taxpayers. It also reduces the administrative burden that would result if municipalities had to decide the merits of each penalty.

Sincerely,


Joshua Craig
Financial Analyst



641 Oliver Street,
Victoria, B C,
V8s 4W2

ph; (250) 595-5006

email: doylec@shaw.ca

Oak Bay District Corporation,
2167 Oak Bay Avenue,
Victoria, B C, V8R 1G2

10 September 2014

To Corporation Members,

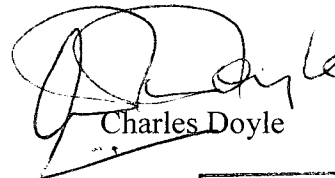
Penalty for Late Tax Payment

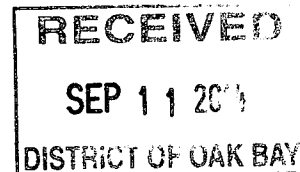
In late July this year I paid a tax penalty of \$478.28. With this letter I wish to ask reconsideration not of the penalty as such, but of the amount. My reasons are:

1. I am a senior, aged 85, and for the previous twenty years or so I signed the appropriate form and paid the tax on time.
2. Every year I have signed up as a senior, and this must be on record, yet my fine was based on the 'No Grant' amount. It was pointed out to me that I hadn't yet signed the document requesting senior deduction (but this is indeed a legalistic argument).
3. When my lateness was brought to my notice I went to the municipal hall and dealt with it immediately, so I paid within the month the tax was due, but got no credit for this. A 10% penalty on a bill of several thousands is in itself punitive. Half that amount would be appropriate for simple delay of a 'bill payment'.
4. There are always personal elements in these cases. I have mentioned that I am 85. I live alone. At the same time as dealing with the tax notice I was dealing with a tax deferment application, which I did not realize had to be renewed every year. In the process, I became confused between the two items and lost track.
5. Given that I have a tax deferment, no actual cash was involved in this transaction and the corporation was not in any way financially inconvenienced by my lapse.

As I say, I accept that I have incurred a penalty, but to pay nearly \$500 for a 'bill' overdue by three weeks seems exorbitant. I therefore ask you to consider a substantial reduction.

Thank you for your consideration,


Charles Doyle



September 19, 2014

Mayor and Council
Oak Bay Municipal Hall
Attn: Honorable Nils Jensen, Mayor
2167 Oak Bay Avenue
Victoria, BC
V8R 1G2

Mr. Mayor,

I am writing to seek your and the Council's reimbursement for the ten percent penalty my wife and I had to pay for late property taxes payment (\$421.69) due to the non-recording of my change of address and subsequent "lost in the mail" original property tax notice.

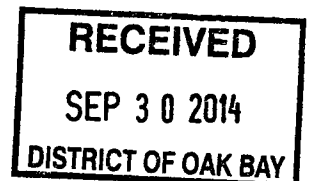
My wife and I were Landed Immigrants living in Vancouver from January 3, 2011 through June 26, 2013. We have owned our property at 2130 McLaren Avenue since January 2005, renting it since that time with plans to eventually settle there in retirement.

Unfortunately, in June 2013, while living in Vancouver, I discovered that I had stage four throat cancer and needed immediate surgery, radiation, and chemo therapy. Because I could get immediate (within 24 hours) care at a top hospital in Portland, Oregon, and after facing six weeks of awaiting biopsy results and appointment scheduling in Vancouver under the BC Health System, we decided to return to the States to our former residence and face the health issues there.

We sadly departed our rental in Vancouver and returned to the Portland area on June 26, 2013. I had surgery on July 3rd and began chemo and radiation treatment in August. Thankfully, the treatments have resulted in a clean slate regarding the cancer and I am in the process of recovery for the next few years.

In late June, 2013, I telephonically notified the BC Assessment Authority of our temporary change of address where we lived for three weeks until we could occupy our permanent home in Lake Oswego near Portland. I also telephonically notified the City of Oak Bay of our change to our permanent address on Red Wing Way in Lake Oswego in late July, 2013 when we reassumed living in our Red Wing Way home.

During the whirlwind of cancer treatment and recovery, I failed to think about when our 2014 McLaren Avenue property taxes would be due (during the summer months of 2014.) In September of this year, when I failed to get a McLaren Ave property tax bill, I called the City of Oak Bay and discovered that the property tax bill had been sent to our old Vancouver address and was obviously lost in the mail.



The property tax office as of today, September 19th, emailed me the 2014 property tax bill which I have promptly paid, including the 10% penalty, totaling \$4638.55, mailing that amount today under separate letter, drawn from my Canadian Dollar account at Royal Bank of Canada (copy of tax bill and cheque enclosed.)

Since 2005 when we bought our home on McLaren Avenue, I have paid the property taxes well ahead of due dates.

Ms Gaudet, Oak Bay Property Tax Clerk, could not relieve me of the 10% penalty for late 2014 taxes, but kindly suggested that I write to you and the Council to seek your approval for a penalty reimbursement due to the fact that I did notify both the BC Assessment Authority and City of Oak Bay regarding our address change back in June and July 2013.

Please consider reimbursing me for the 10% penalty, \$421.69. Thank you for your consideration.

Sincerely,

David A. Pagni
Kathleen L. Mazzocco
4846 SW Red Wing Way
Lake Oswego, Oregon 97035
USA

Handwritten signatures of David A. Pagni and Kathleen L. Mazzocco. The signature of David A. Pagni is written in black ink and is positioned above the signature of Kathleen L. Mazzocco, which is written in blue ink.

503-707-0316 (phone)
dapagni@gmail.com (email)