



## **COUNCIL – AGENDA REPORT**

**Meeting Date:** 6 May 2025

**Subject:** Bylaw B-14/2025 - 2025 Tax Penalty Bylaw Amendment

**Directorate:** Corporate Services and CFO

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### **Issue:**

The current City of Airdrie Tax Penalty Bylaw includes a clause that allows for waiving of penalties in the event of the death of the property owner. This compassion clause is very restrictive and was asked to be revisited by a grieving resident.

It has also been noted that penalties dates were set at July 1, September 1 and November 1. These penalty dates do not necessarily align with the actual due dates, and administration is proposing a change to these dates in the bylaw.

### **Policy / Council Direction:**

Changes to a bylaw require Council approval.

### **Background:**

An amendment to the Penalty Bylaw was brought forward in May 2021 to add a compassion clause to waive penalties in the event of the death of a property owner in the month of June. This was done to allow the estate a reasonable period of time to settle obligations.

Recently, Administration reviewed Tax Penalty Bylaws from other municipalities and found a variety of compassion clauses summarized in the chart below.

Rocky View County	Allows for the relief in the event of the death of an immediate family member within 21 days prior to the due date
City of Calgary	Allows for relief if there has been an extraordinary event 90 days prior to due date.
City of Edmonton	If the property is not in tax arrears, allows for a 2 month grace period if there is a death of the tax payor, immediate family member, as well as some defined illness provisions.
City of Red Deer	Requires written request to Council to remove a penalty.
City of Lethbridge	Requires a form to Council or sign up on TIPPS program with restrictions.

City of Medicine Hat	Does not have a specific exemption in place.
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Administration is proposing that Airdrie's Tax Penalty Bylaw be updated to include both the death of the property owner as well as an immediate family member forty-five days prior to the due date for waiving of current year tax penalties. This is a difficult time for individuals and this extends the applicable time period by 15 days, which allows them a bit longer grace period.

Property taxes are the primary source of revenue to fund municipal services. Provincial Education requisition amounts are also collected through property taxes, and payable quarterly to the Province. The timely payment of property taxes is required to fund operations and meet provincial payment deadlines. Taxes are payable 30 days from the date of mailing the tax notice or on the date specified in the tax notice, whichever is later. In general property taxes are due on the last business day of June. However a postal strike could prolong the due date. For the purposes of consistency, administration is proposing the change the schedule attached to the bylaw related to the Current tax and remove the fixed penalty dates of July 1, September 1 and November and replace them with the following:

- 1 day after due date
- 60 days after due date
- 120 days after due date

This change will assist both the tax payor and the City in ensuring a reasonable period of time is given for payment prior to the penalty being applied. A redline version of the previous bylaw and the new Bylaw B-14/2025 are attached to this report for convenience.

### **Council Committee Routed Through:**

N/A

### **Administration Recommendation:**

Administration recommends that Council give three readings to Bylaw B-14/2025 being a bylaw to amend Bylaw B-09/2018 adding an exemption to tax penalties in event of the death of an immediate family member, within 45 days prior to the due date and deleting Schedule "A" and replacing it with the following Schedule "A":

<b>Tax</b>	<b>Date</b>	<b>Penalty</b>
Current Tax	1 day after due date	5%
	60 days after due date	5%
	120 days after due date	5%
Tax Arrears	January 1	9%
	April 1	9%

**Alternatives/Implications:**

1. Council could choose to defeat Bylaw B-14/2025 leaving Tax Penalty Bylaw B-09/2018 unchanged, thus not allowing for the waiving of penalties in the event of the death of an immediate family member 45 days prior to the due date. As well, penalty due dates would remain as set dates, and may not be collectable in the event of printing or mailing delays.

**Budget Implications:**

The 2025 budget for penalty revenue is \$1,050,000, the addition of the immediate family member is not anticipated to greatly affect this projection. If the dates are not changed on the penalty schedule, and mailing is delayed, missing one penalty date could result in up to a \$350,000 loss in revenue.

**Communications and Engagement:**

The updated bylaw will be posted on the Website

**Recommendation:**

That Council gives three readings to Bylaw B-14/2025, being a bylaw to amend Bylaw B-09/2018 by adding an exemption to tax penalties in event of the death of an immediate family member within 45 days prior to the due date and deleting Schedule “A” and replacing it with the attached Schedule “A”.

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Staff Presenter:	Monica Labait
External Presenter:	N/A
Department:	Corporate Services
Reviewed by:	Shannon Schindeler
Attachments:	#1: Redline Bylaw B-09/2019 #2: Bylaw B-14/2025