

SUMMARY:

The Tax Prepayment Plan Bylaw is regulated under Section 235 of the Community Charter allowing Council, by bylaw, to authorize the Collector to receive money for taxes before the due date. This bylaw provides the terms of accepting and holding the money including interest in an alternative Municipal tax scheme and its rates. This bylaw allows the prepayment of property taxes and ability to implement a monthly instalment system for the convince of taxpayers.

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CITY OF KELOWNA

BYLAW NO. 10685

Revised: April 30, 2018

CONSOLIDATED FOR CONVENIENCE TO INCLUDE BYLAW NO. 11602

Tax Prepayment Plan Bylaw

WHEREAS Section 235 of the Community Charter provides that the Council may, by bylaw, authorize the Collector to receive money for taxes before the due date and may provide the terms of accepting and holding the money including interest in an alternative Municipal tax scheme and its rates;

BL11602 amended the following:

AND WHEREAS it is desirable to encourage the prepayment of property taxes and implement a monthly instalment system for the convenience of taxpayers;

NOW THEREFORE, the Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. CITATION

1.1 This bylaw may be cited for all purposes as "Tax Prepayment Plan Bylaw No. 10685."

BL11602 amended section 2. Definitions:

2. DEFINITIONS

City shall mean the City of Kelowna.

Collector shall mean the Financial Services Director and/or designate.

BL11602 amended section 3. Equal Monthly Installments:

3. EQUAL MONTHLY INSTALLMENTS

3.1 Any person being liable to the City of Kelowna for property tax may apply to the Collector of the city to pay taxes on an equal monthly instalment basis in a total amount not greater than the amount estimated by the Collector to be the amount of taxes which will be owing when such amounts are next due and payable to the City and the Collector shall recalculate this amount annually.

3.2 The payment of property taxes on an equal monthly instalment basis shall commence upon the execution by the taxpayer of a form substantially as set forth in the Pre-Authorized Withdrawal System Application Form, authorizing automatic deduction from the taxpayer's bank account to the credit of the City of monthly payments equal to the monthly payment calculated pursuant to this bylaw and the form shall be deposited with the Collector of the City.

3.3 Monthly payments are based on a an estimate only and are not a warranty or guarantee of the amount of taxes may be levied.

3.4 Payments due under the monthly instalment basis will be processed and collected on the 10th day of each calendar month commencing in July of the year preceding the tax due date and ending in May of the year in which the taxes become due.

- 3.5 The Collector shall credit interest on the amount paid in each month to the benefit of the taxpayer participating in the monthly instalment system at a rate equal to the prime rate of the Royal Bank of Canada on the payment date less 3% (with minimum interest of 0.4%); such interest to be calculated up to the current year's tax generation date.
- 3.6 The Collector shall indicate on each annual tax bill to any participating taxpayer, the total of all payments received plus interest earned and show the amount required to pay the balance of the taxes due on the due date of that year.
- 3.7 A participating taxpayer may give notice, in writing, by the last business day of the month prior to the instalment dates, to discontinue participation in the monthly instalment system but no monies paid into the plan will be returned or refunded.
- 3.8 In the event of a sale of the property, tax prepayments are to stay on the property's account and responsibility for adjustment shall be between the vendor and the purchaser. Where an error has occurred with the adjustment and the seller no longer has property in the City to transfer the prepayment balance against, a refund will be considered with applicable fees.
- 3.9 The Collector may cancel the privilege of continuing in the monthly instalment system if two consecutive instalments fail to be honoured.
- 3.10 Participation in the monthly instalment system shall continue until terminated by either party, in writing. The amount of deductions taken by the City may vary in subsequent years. The amount will be agreed by mutual consent of both parties in a statement mailed in May of each year to each participant showing the monthly payment suggested for the next year.

BL11602 amended section 4. Random Prepayments:

4. RANDOM PREPAYMENTS

- 4.1 In addition to the monthly instalment system authorized herein, the Collector is also authorized to accept and to hold monies to be applied at a future date in payment of taxes upon the following terms and conditions:
 - a) No less an amount than \$25.00, or the total estimated unpaid taxes, at any one time shall be accepted for any one parcel of land and any improvements thereon;
 - b) When tendering any amount under this bylaw, the taxpayer shall designate the account for which such tendered amount is to be accepted;
 - c) Any amount accepted hereunder shall be held in the account for the parcel of land and any improvements designate by the taxpayer, and shall, together with interest accrued as by this bylaw provided, be, on the day taxes are due, applied on the account of the payment of taxes due on such account;
 - d) No interest shall be paid on any monies paid after the current year's tax generation date for the current year's taxes.

5. PRECLUSION FROM PREPAYMENT

- 5.1 In the event that there are taxes in arrears or delinquent chargeable on the property in questions, the taxpayer will be precluded from participating in the tax prepayment plan.

6. REPEAL

6.1 City of Kelowna Tax Prepayment Plan Bylaw No. 7119, and all amendments thereto, are hereby repealed.

7. EFFECTIVE DATE

7.1 This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first, second and third time by the Municipal Council this 16th day of April, 2012.

Adopted by the Municipal Council of the City of Kelowna this 23rd day of April, 2012.

Mayor

City Clerk