

To: Chief Administrative Officer **Date:** April 7, 2025
From: Allison Anderson, Revenue Supervisor
Subject: **FIN.35 Waiving Penalties Imposed on Late Tax Payments Policy**

Recommendation(s)

That Council rescind FIN.35 Waiving Penalties Imposed on Late Tax Payments Policy included as Attachment A to this report.

Purpose

The purpose of this report is to rescind FIN.35 Waiving Penalties Imposed on Late Tax Payments Policy from the City of Mission policies and procedures based on the supporting information provided in this report.

Background

In 2002, FIN.35 Waiving Penalties Imposed on Late Tax Payments Policy was adopted to allow for the waiving of penalties for payments postmarked by Canada Post on or before the second Friday immediately preceding the property tax payment due date. This policy was put in place to prevent undue hardship on taxpayers who put their payments in the mail with the reasonable expectation that it would be received by the tax due date.

Discussion and Analysis

In 2002 when FIN.35 was adopted, payments by mail accounted for approximately 10% of payments received by the city tax department. Over the past twenty-three years, significant advances have been made in technology and the banking industry that provide many alternative and more reliable methods of payment. Payments by mail currently account for less than 1% of payments received by the City of Mission during the tax season.

FIN.35 creates an extra administrative step of checking all envelopes received and affects a negligible number of payments. Rescinding this policy will allow staff to process mail in a more efficient manner and provide additional capacity to focus on other taxpayer questions and concerns.

The Province of BC notes that penalties on municipal property taxes are only written off when avoiding the penalty is impossible and the write-off can be fairly applied to all in the same situation. Circumstances such as sickness, travel, bank error and mail strike are not adequate reasons for the write-off of taxes to be permitted by the Province of BC. In any of these cases, another person or method of payment can be used to ensure that property taxes are paid on time.

The City of Mission provides many alternate payment methods in place of mailing in payment. These options include online banking, in-person payments at financial institution or City Hall, secure drop-box at City Hall available 24/7 and a pre-authorized debit plan. Post-dated payments to annual tax due date can also be dropped off in-person or in the secure drop-box at City Hall.

Finance staff have been updating communications to notify taxpayers that payment must be received by the city by the due date. Online payments must allow for adequate processing times to ensure payment is received by the City. Rescinding FIN.35 will align with the treatment of online payments to ensure payment is received by the City by the date – payments in transit will be deemed late.

Financial Implications

There are no financial implications associated with this report.

Communication

The City website will be updated where necessary to reflect the removal of policy.

Summary and Conclusion

FIN.35 Waiving Penalties Imposed on Late Tax Payments Policy was implemented at a time when payments by mail were much more prevalent in society. Advances in the banking industry and technological changes have allowed for many alternative and more reliable methods of payment during the tax season.

Council's approval to rescind this policy will make processes efficient to allow staff to better serve the taxpayers in the City of Mission and to align with the application of online payments to be received on-time.

Report Prepared by:	Allison Anderson, Revenue Supervisor
Reviewed by:	Parissa Bhullar, Manager of Financial Services
Reviewed by:	Doug Stewart, Director of Finance
Approved for Inclusion:	Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A: FIN.35 Waiving Penalties Imposed on Late Tax Payments Policy