
Policy Number:	FIN-POL-101-00
Policy Title:	Tax Installment Payment Plan (TIPP) Policy
Related Procedure Numbers:	FIN-PRO-101-00
Related Procedure Name:	Tax Installment Payment Plan (TIPP) Procedure
Council Approval:	Resolution:
Approval Date:	June 10, 2020
Responsible Department:	Finance

Policy Statement:

Lamont County may by bylaw permit taxes to be paid in monthly installments, at the option of the taxpayer.

Reason for Policy:

To set parameters, identify accountability and establish a protocol for the receipt of monthly tax installments made on behalf of Lamont County taxpayers.

The policy objectives for the monthly tax installment payments are to:

- Ease the tax burden of the ratepayer of making monthly installments verses a lump sum payment annually
- To allow the County budget according with a set amount of monthly cash inflows

Related Information:

- Tax Installment Payment Plan Bylaw 816.20
- Tax Installment Payment Plan (TIPP) Procedure
- MGA Section 340

Responsibilities:

1. Lamont County Council for:
 - a. Approving by resolution this Policy and any amendments thereto.
2. Chief Administrative Officer for:
 - a. Implementing this policy and approving procedures.
 - b. Ensuring policy and procedure reviews occur and verify the implantation of policies and procedures.
3. Directors for:
 - a. Ensuring implementation of this policy and procedure.
 - b. Ensuring that this policy and procedure is reviewed.
 - c. Recommending necessary policy or procedure amendments to the Chief Administrative Officer.



Policy

Approval:

This Policy Shall come into force and effect upon adoption by Council at the Regular Meeting of Council on June 9, 2020.


REEVE/DEPUTY REEVE


CHIEF ADMINISTRATIVE OFFICER

 JUNE 9, 2020
DATE

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Background

1. The purpose of the payment plan is to allow the ratepayers to pay their property taxes in 12 monthly installments rather than in one annual payment.
2. There are no penalties applied to tax rolls which are enrolled in the payment plan.
3. In order to enroll, the ratepayers tax roll account **MUST** be paid in full (have a balance of \$0).
4. The deadline to enroll in the payment plan **MUST** take place **PRIOR** to December 31.

Enrolled in the Payment Plan

1. The monthly payments begin on January 15th of each year.
2. The monthly payment will be withdrawn from the ratepayer's bank account on the 15th of each month (or the following business day).
3. The monthly payment is adjusted **AFTER** the current year taxes have been levied.
4. The current years taxes will be paid in full by December 31st.

Calculation of Monthly Payments

1. The first five payments (January to May) will be based on the prior year's taxes.
 - a. Example: taxes in the prior year were \$2,100. The monthly payments, starting in January, would be: $\$2,100 / 12 \text{ months} = \175 per month.
 - b. January to May payments would produce a credit of $\$175 \times 5 \text{ months} = \875 that would be applied to the current years tax levy.
2. Current years tax levy is \$2,250. Administration would deduct the amount of the credit built up from prior months payments (\$875) to find out the remaining amount of taxes that need to be paid from June to December (\$1,375).
3. The new monthly payment amount for the remaining months (June to December) would now be: $\$1,375 / 7 \text{ months} = \196.43 .
 - a. Notify the CFO if his or her Municipal Credit Card is cancelled by the Financial Institution.
 - b. Be personally liable for any unauthorized transaction unless the card is lost, stolen or subject to fraud on some part of a third party.

Monthly Payments

1. The monthly payments are automatically withdrawn from the ratepayer's bank accounts on the 15th of each month.
2. The Tax Clerk prepares the TIPP file on the 12th or 13th of each month. The bank requires two banking days PRIOR to the date of withdrawal to process. The file is then submitted electronically through the County's banking website.
3. Once the file is submitted, the CFO and General Accountant must log into the County's bank website to approve the file. Dual approval is required. After this approval process, the bank can process the payments.

Property is Sold

1. When the County receives a Land Title Change document from AB Land Titles, Finance will automatically cancel the TIPP program on that tax roll.
2. If the previous ratepayer wishes to have the TIPP program cancelled prior to the County receiving the Land Title Change document, the ratepayer must notify the County in writing at least 15 days PRIOR to the next withdrawal date to arrange the cancellation of the TIPP program.

Bank Information Changes

1. If the ratepayer wishes to change the bank account information that is TIPP payment is being withdrawn from, the ratepayer must notify the County at least 15 days PRIOR to the next TIPP payment date to avoid any additional fees, such as NSF.
2. All new banking information must be given in writing.

Payment Returned to County

1. The ratepayer will be notified in writing by the County that the TIPP payment was returned. The ratepayer will have the option of making up the payment plus any other fees that may apply.
2. If a second payment is returned, the enrollment in the plan will be CANCELLED. The ratepayer will be notified in writing that all unpaid taxes become due, payable, and are subject to the penalties in accordance with the Tax Rate Bylaw.

Withdraw from Plan

1. The County must be notified at least 15 days PRIOR to the next withdrawal date.
2. The "Cancellation of Tax Installment Payment Plan" form must be completed.
3. Once the plan has been cancelled, all unpaid taxes become due, payable, and subject to penalties according to the County's Tax Rate Bylaw.



Procedure

A handwritten signature in blue ink, appearing to read "Stephen [unclear]".

CHIEF ADMINISTRATIVE OFFICER

JUNE 9, 2020

DATE