

April 11, 2014

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### **City could proceed with pre-authorized tax payments for 2015**

Subject to Council ratification on Tuesday, April 15, City staff are moving forward with implementation of Council's direction to offer Campbell River property owners the ability to make monthly contributions to tax payments rather than paying in a lump sum. The new pre-authorized payment service would begin in August this year, with contributions earning interest toward 2015 tax payments.

How would it work? Property owners would arrange for monthly payments to be automatically withdrawn from their bank account starting in August and ending in May. An annual tax notice would be mailed at the end of May each year showing the current year's taxes due, less the total prepayments and interest earned on 10 pre-authorized installments. The balance owing would be withdrawn from the bank account on the tax due date in July. This can all be done on-line so taxpayers will not have to travel to City Hall if they choose not to.

People opting to pay their property taxes through pre-authorized installments would still have to claim their Home Owner Grant each year. Because the final payment withdrawn in July would be based on the taxes still owing on the due date, pre-payment customers would be requested to claim their Home Owner Grant no later than June 15.

The monthly payment amount would be an estimate only, calculated based on the previous year's net tax payable (after Home Owner Grant, if applicable). The amount of the regular monthly payment for the next year would be included on the annual tax notice – and prepayments start again each August.

*"For many years, the City's Finance Department has accepted post-dated cheques from taxpayers who wish to make tax payments in installments through the course of the year. These have always been processed manually by staff and is quite time consuming. The City now has the computer software necessary to provide an automatic bank account withdrawal service that is commonly offered in many municipalities across the province, and is considered efficient for both the taxpayer and the local government,"* says Myriah Foort, the City's Finance Manager.

People will be able to apply for the program at any time as long as their property tax account is current, through an authorization form, available at City Hall, the Community Centre, the Sportsplex and the City's website.

All outstanding property taxes would have to be paid in full prior to joining the program. A taxpayer participating in the program may withdraw from the program at any time. The amount paid would remain in the tax account. There are no refunds of tax prepayments under the plan. Interest rates would vary from year to year based on prevailing market rates. The current rate the City would offer on this program is estimated at one per cent.

More details on the program would be posted on the City's website at [www.campbellriver.ca](http://www.campbellriver.ca) (under City Services / Property Taxes).

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