



TOWN OF NIVERVILLE-FINANCE

POLICY NO. F6-16: **PENALTY CANCELLATION POLICY**

EFFECTIVE DATE: **December 6, 2016** **RESOLUTION# 333-16**

REVISION DATE: _____ **RESOLUTION# _____**

Purpose: To provide further clarity to the residents of Niverville and the staff within the Town office of the restrictions on the abilities to cancel / remove penalties on a person's property tax or utility account.

Rules: As per 346(2) of the Municipal Act

A Council may by by-law

- a) Set a rate, subject to any limitation prescribed by the minister by regulation, at which penalties may be imposed in respect of tax arrears; and*
- b) Impose penalties at that rate.*

Therefore the Municipal Act does not provide the powers to Council and staff to cancel tax penalties or utility penalties for any reason.

A resident has the right to appeal to Council however it is beyond their powers to cancel penalties for late payment of tax and utility payments. Therefore, cancellation of any penalties other than clerical errors where penalties have been applied incorrectly, technically, cannot be approved by Council or staff.

Further, as per Section 343(1), should taxes in respect of a property or business be paid under protest and the assessment roll is later amended by way of recommendation by the Manitoba Assessment Branch to reflect a reduction in the assessed value for the year in respect of which the taxes were paid, the refund must be paid with interest on the excess taxes paid.

Section 343(2) states:

No person is entitled to the repayment of amounts paid on account of taxes except under the circumstances described in subsection 343(1).

(While historically any changes to the Tax Roll were enacted by Council through a Tax Cancellation By-law, the current edition of the Municipal Act allows for this decision by Council through a resolution passed during a regular open Council meeting)