



Memo

Date: September 16, 2022
To: Honorable Mayor Armitage; City Council
From: Manager LaPere, MPAP
Re: Proposed Council Policy 2022-05

Background

At the City Council meeting held September 6th, Council directed administration to draft a policy regarding acceptance of postmarks for proof of timely payment for property tax payments. At that meeting, discussion was held regarding also providing for failure to receive a tax statement in a timely manner as another provision by which late payments would not apply. In discussion with the City Attorney, he has advised we are not authorized to include such a provision as there is language in the state tax act which explicitly disallows non-receipt as justification for failure to pay. He also concurred with Attorney Gillies' statements at that meeting when she noted this topic has been considered on many occasions by the courts who have upheld that taxpayers have an obligation to pay their property taxes timely irrespective of receipt of a tax statement. Therefore, the policy for drafted for consideration only includes provisions related to, and in compliance with, the provisions of the state tax act.

Recommendation

I have spoken with city staff, including the city's Treasurer, and we have concerns about the implementation and administration of such a policy. At this time, we have limited staffing capacity and the manual process of reviewing and determining postmarks will further burden the administration of tax payments. During tax season, on any given day we can receive 100+ tax payments in the mail and drop-boxes. In fact, this was the city's policy many years ago and it was disbanded. I also have concerns about the potential for dispute if the postmark is not clear, or appears to be altered. Further, the seven-day receipt requirement per the state statute opens the possibility for confusion if the persons postmark is on or before the due date but is not received in the required timeframe.

This process also opens potential confusion and disparate treatment of taxpayers who prefer to make their payments in-person or have utilized the drop-box but would not be afforded this same grace period for consideration of timely payment. In consideration of including the seven-day grace period to in-person and/or drop-box payments merely has the effect of changing the due date of the taxes.

Frankly, there will always be circumstances by which a person, often through no fault of their own, may find their taxes are paid late regardless of any policies we may enact. It is my opinion that the simplest, fairest, and most transparent policy is the current policy in which we have a specific due date that payments must be received by, and anything received afterwards is considered late. The current policy offers clear requirements for the taxpayers, equal treatment regardless of preferred payment method, and is efficient to administer.

eel

attachment

CITY OF CHARLOTTE

COUNCIL POLICY

| SUBJECT | POLICY NO. | APP. DATE | PAGE |
|---|----------------|---------------|---------------|
| PROPERTY TAX PAYMENT POSTMARK ACCEPTANCE | 2022-05 | [DATE] | 1 of 1 |

1. PURPOSE

The purpose of this policy is to establish compliance with the provisions of state statute requiring action by the governing body to accept postmarks as proof of timely payment for property tax payments.

2. AUTHORITY

This policy is adopted pursuant to the provisions of MCL 211.44(b).

3. BACKGROUND

City Council was presented with a concern regarding the delays in delivery by the post office and timely payment of property tax payments. The state tax act does provide for a municipality to consider a postmark as proof of timely payment if that payment is also received within seven calendar days of the due date.

4. WAIVER OF PENALTY

Pursuant to the provisions of MCL 211.44(b), the date received shall include a post mark of not more than seven calendar days prior to the date of actual receipt. Should a payment be postmarked on or before the due date and received within seven calendar days of such postmarked date, it shall be considered on time and not subject to late payment fees or penalties.

5. EFFECTIVE DATE

This policy shall become effective upon its approval by the City Council.