

Fees & Charges Bylaw No.9381

2023 Fee Addition Recommendation



Purpose

To obtain Council's approval to amend the Miscellaneous Fees and Charges
Bylaw No. 9381



Background

Historically, the City of Kelowna has not accepted credit cards as a form of payment for property taxes. Starting this year, with a software upgrade, the Revenue Branch will now be able to provide this option for our customers.

- Yearly software maintenance fee: \$6k
 - Fee per transaction: 2.3%
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Discussion

It is best practice for local governments to recover credit card transaction costs directly from the customers that benefit from the optional convenience of paying their property taxes with a credit card.

- Current average cost per credit card transaction: **2.3%**

The Revenue Branch recommends that these fees not be borne by all citizens but instead be recovered directly from the customers that choose to use this option to pay.

Discussion

The following table is a survey of credit card processing fees charged by other B.C. Municipalities:

Municipalities	Credit Card Processing Fee for Property Taxes
Abbotsford	1.75%
Burnaby	1.75%
Kamloops	1.75%
New Westminster	1.75%
Port Moody	1.95%
Richmond	2.00%
White Rock	2.00%
Whistler	2.20%



Recommended Fee Addition

Credit Card Processing Fee for Property Tax Payments 2.3 % of transaction amount



Conclusion

The Revenue Branch recommends amending the Miscellaneous Fees and Charges Bylaw No. 9381 with Bylaw No. 12513, Amendment No. 11, to include the Credit Card Processing Fee for Property Tax Payments, totaling 2.3% of the transaction amount.



Questions?