#### **CITY OF ST. ALBERT**

#### C-FS-15 Property Tax Relief

#### **Overview of Requests**

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Wstalbert.ca

# **Background – Tax Relief Requests**

- Taxation Dept. has many requests for tax relief each year, due primarily to the imposition of tax penalties for late payment.
- Administration can only cancel or reduce tax penalties if the City has administratively made an error, omission, or misrepresentation.



### Background - MGA 347

- Section 347 of the *Municipal Government Act* allows only Council to cancel, reduce, refund, or defer all or part of a tax.
- Section 203 of the *Municipal Government Act* prohibits Council from delegating its power with respect to taxes under section 347.
- Thus, only Council has the ability to provide leniency, in instances where the City has not erred.



### **Purpose of Policy**

- To provide Council with a framework to guide how it will respond to requests for property tax relief.
- To allow Council to have a set of "goalposts", but still allow Council to exercise its own discretion.



• To bring clarity to property owners on what types of requests for tax relief are deemed acceptable.



# **Example of Typical Penalties**

• Incurring a tax penalty can result from a myriad of underlying reasons. Penalty amounts vary, due to underlying assessed value:

House assessed at \$450,000 in 2022	Tax Details	Condo assessed at \$275,000 in 2022	Tax Details
Original Taxes	\$4,996	Original Taxes	\$3053
July 1 Penalty @ 4%	\$200	July 1 Penalty @ 4%	\$122
Aug 1 Penalty @ 6%	\$300	Aug 1 Penalty @ 6%	\$183
Oct 1 Penalty @ 6%	\$300	Oct 1 Penalty @ 6%	\$183
Total Penalties	\$800	Total Penalties	\$488



#### **Request Form Process**

- Standardized Request Form
- Administered by Tax Dept.
- Consistency of process

South Annual and Transco Books	
Property Tax Relief Request Form	
refund, or deferral, in respect to municipal	
1. is the request	
2. Requestor Name: Property Owner or, Agent	
Section 8 Property information (from your projectly tax notice)  Assessment Roll Number of	request for property tax relief is valid only for the uest applies only to tax levies and/or tax penalties the decision of c.
7. Property Address(es):	the decision of Council on the matter of property
Section C Type of property tax relief being requested	
Property Tax Cancellation     Property Tax Refund     Property Tax Reduction	
Section D \$ Amount of property tax relief being requested (Enter dollar amount) S	
Section E Reason(s) for Property Tax Relief Request (Please articulate the reasons, circumstances for your request) Please attach additional information to this form if you require more a	
(Please actach additional information to this form if you require more space)	ar and decide upon your request.
	sperty fax verification.
	or veor tos Arrears:
	TAL Outstanding:



# **Tax Relief Principles**

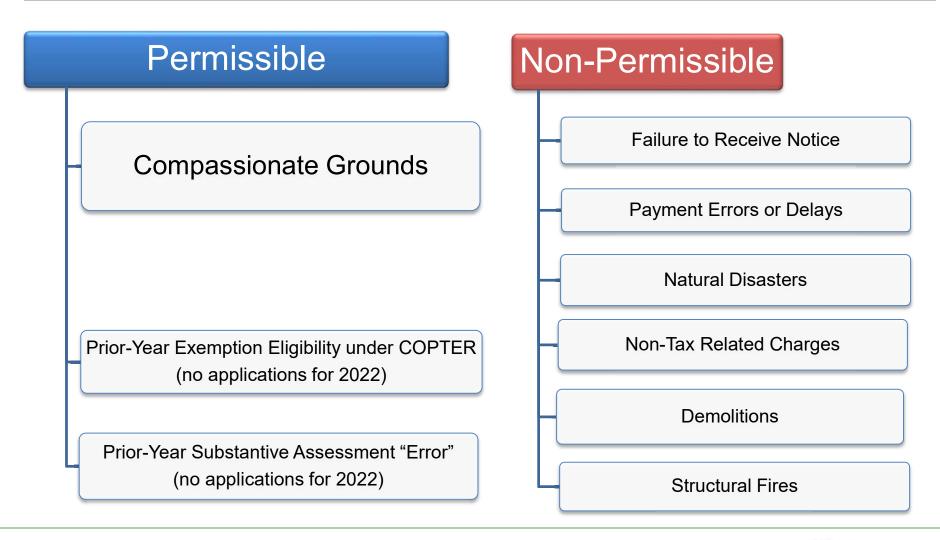
When considering requests, Council would take into consideration the following principles:

- a. Fairness & equity to all taxpayers;
- b. Sustainability of municipal revenues;
- c. Simplicity, transparency, and efficiency of the tax levy process;
- d. Predictability and stability.





### **Tax Relief Categories**





# **Compassionate Grounds- Sample**

 Council may provide tax relief for extenuating circumstances that merit compassion.



- <u>Example</u>: The property owner was in hospital with a critical illness and could not attend to payment of taxes prior to the deadline.
- <u>Response</u>: The tax penalty incurred could be cancelled.



## **Suggested Process**

- Requests for tax relief would be received intermittently throughout the year by Tax Dept.
- Those that remained unresolved would be "bundled", and presented to Council via the agenda report process, typically in Q4.
- Individual requests are typically *in camera* to protect the privacy of applicants.



## Suggested Process cont.

- The requestor (the property owner) is given the opportunity to present their request in writing, or in person if requested.
- Council would deliberate each request and make a tax relief decision.
- Decision results would be forwarded to property owner.
- Decision would be considered final.



#### **Questions?**



