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Presented by: Greg Dahlen, Senior Manager, Assessment & Taxation Services

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Attachments: 1. C-FS-15 - Property Tax Relief, 2. Tax Relief Requests Summary List, 3. Presentation - Tax Relief Requests

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11/18/2019	1	City Council	approved	

TAMRMS#: B06

Property Tax Relief Requests

Presented by: Greg Dahlen, Senior Manager, Assessment & Taxation Services

RECOMMENDATION(S)

That Council review and render decisions on outstanding 2019 requests for property tax relief, as per the sole ability afforded to them as per Section 347 of the Municipal Government Act. Section 203 (2) of the Municipal Government Act disallows delegation to administration to make decisions relative to MGA 347 requests, therefore there is no administrative recommendation.

PURPOSE OF REPORT

To present in summary format, the outstanding 2019 requests for property tax relief, for Council's consideration.

ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

N/A

ALIGNMENT TO LEVELS OF SERVICE DELIVERY

Service Name: Tax Account Administration
Service Definition: Administration of the annual and supplementary tax levy, pre-authorized payment system, schools support declarations, property tax collection process, and land title office changes.
Service Component: Not applicable
Current Service Level: Not applicable

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

As per Section 347(1) of the *Municipal Government Act*, requests for property tax reductions, cancellations, refunds, or deferrals, must be referred to Council.

BACKGROUND AND DISCUSSION

Section 347(1) of the *Municipal Government Act* permits Council the discretion to cancel or reduce tax arrears, cancel or refund all or part of a tax, or defer the collection of a tax, for a particular taxable property, or class of taxable property, if it considers it equitable to do so.

Council must exercise this discretion in an equitable and transparent manner, as any cancellation, reduction, or deferral has a financial consequence to the City. Policy C-FS-15 has been established to provide clarity and guidance as to how requests for property tax relief may be deliberated at the Council level.

Requests for property tax relief to Council are rare, but the *Municipal Government Act* does afford a property owner the ability to make such a request. Typically, the property owner feels that extenuating circumstances existed, which resulted in the tax penalty or tax arrears being incurred. Again, the challenge is in determining what latitude exists in cancelling or reducing such penalties or tax arrears. To this end, C-FS-15 was approved by Council in Feb 2019 to provide a framework by which decision criteria would be established, for dealing with these requests.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

Property owners first communicate with the Taxation Department about their tax penalty or outstanding tax arrears. Cancellations of penalties can only be made by the Taxation department, if it is ascertained that an administrative error was made in the administration of the tax account.

If no error was made on the part of the City, then the property owner has the ability to make a request for tax relief to Council, as referenced to in section 347(1) of the *Municipal Government Act*.

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

Any request for property tax relief, has a potential financial implication to property tax revenues. For the 2019 tax year, total property tax relief requests total approximately \$24,000.

Legal / Risk:

Decisions by Council to allow tax refunds, cancellations, reductions, or deferrals, are typically rare. However, any decision in this area may imply an unintended precedent; which could be construed as a risk. Conversely, allowing property owners the opportunity to make a request for tax relief is a legislative right within the *Municipal Government Act*, and serves to enhance fairness and equity with the property taxation process.

Program or Service:

It is anticipated that use of C-FS-15 will bring greater clarity, transparency, and fairness & equity in the administration of property tax accounts. By providing a more formalized mechanism for property owners to request tax relief, customer service is enhanced.

Organizational:

None at this time.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

If Council does not wish to support the recommendations, the following alternatives could be considered:

Alternative 1: That Council make its own recommendation in regard to property tax relief on any of the properties appearing within Attachment 2.

Report Date: November 18, 2019

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Committee/Department: Finance & Assessment Department

Deputy Chief Administrative Officer: Kerry Hilts

Chief Administrative Officer: Kevin Scoble