



Legislation Details (With Text)

File #: AR-21-489 **Version:** 1 **Name:**
Type: Agenda Reports **Status:** Passed
File created: 11/15/2021 **In control:** City Council
On agenda: 12/6/2021 **Final action:** 12/6/2021
Title: Property Tax Relief
Presented by: Stephen Bannerman, City Assessor, Financial Services & Information Technology Services

Sponsors:

Indexes:

Code sections:

Attachments: 1. #1 C-FS-15 - Property Tax Relief, 2. 2021 Tax Relief Request Summary (NOV 15)

Date	Ver.	Action By	Action	Result
12/6/2021	1	City Council	adopted	
12/6/2021	1	City Council	adopted	

TAMRMS#: B06

17.1

Property Tax Relief

Presented by: Stephen Bannerman, City Assessor, Financial Services & Information Technology Services

RECOMMENDED MOTIONS

1. That Council go *in camera* to consider outstanding 2020 requests for property tax relief, pursuant to s. 17 of the *Freedom of Information and Protection of Privacy Act* (requirement to maintain confidentiality of personal information)
2. That Council review and render decisions on outstanding 2021 requests for property tax relief, pursuant to Section 347 of the *Municipal Government Act*.

PURPOSE OF REPORT

To present in summary format, the outstanding 2021 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

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

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

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

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. Pursuant to MGA s. 203, only Council can make such a decision, it cannot be delegated.

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 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 Assessment & Tax Branch about their tax penalty or outstanding tax arrears. Cancellations of penalties can only be made by the Assessment & Tax Branch, 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 2021 tax year, total property tax relief requests total approximately \$331,000.

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 continued 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

None.

Report Date: December 6, 2021

Author: Stephen Bannerman, City Assessor

Department: Finance and IT Services

Deputy Chief Administrative Officer: Kerry Hilts

Chief Administrative Officer: Kevin Scoble