

Review of Policy C607: Retroactive Municipal Tax Relief

Executive Committee - June 1, 2022

Item 6.2

Overview of Policy C607

- Council has broad authority for retroactive tax relief (s. 347)
- Policy C607 directs the City Assessor and guides Council in making tax relief decisions
 - ◆ Addresses volume and ensures a fair and equitable approach
- The City Charter provides for a delegated authority of up to \$500,000 a year
- Council is not bound by Policy, but clear policy ensures a fair and equitable approach

Overview of Policy C607

- Four Broad Categories of Tax Relief
 - ◆ Factual or Administrative Errors
 - ◆ Penalty Forgiveness
 - ◆ Destruction of Improvements
 - ◆ Non-Profit Construction

- C607 introduced in 2019 (replacing two previous Council policies)

Supported Tax Relief - Proposed Amendments

- Errors of Fact (relief capped at \$1,000)
 - ◆ Increase cap to \$5,000
- Payment errors (penalty relief only)
- Death or illness resulting in late payment (penalty relief only)
 - ◆ Limit to non-corporate residential property with no arrears
- Destruction of improvements (relief capped at \$1,000)
 - ◆ Increase cap to \$5,000
- Late payment on successful appeal (partial penalty relief only)

Unsupported Tax Relief - Proposed Amendments

- Taxpayer payment errors
- Payment delivery issues
 - ◆ Clarify relief is unsupported when error is due to third party
- Failure to receive notices
- Payment of other charges
- Disputes about amounts owing
 - ◆ Include non-payment due to delay in processing at Alberta Land Titles Office, and penalties incurred during appeal process

Unsupported Tax Relief - Continued

- Litigation issues
- Forgiveness of non-municipal taxation
- Non-qualifying renovations
- Incorrect party
- Financial hardship or good payment record
- Outside the timelines or exceeding the maximums
- Tax deferral

Construction/Renovation of Exempt Facilities

- Properties that would otherwise be exempt, but cannot receive an exemption while not operating (typically due to construction or renovation)
 - ◆ Expand to include schools
 - ◆ Clarify that maximum three year period is counted back from completion

Questions?