

Charter Bylaw 18652

Municipal Tax Relief Delegation Charter Bylaw

Purpose

This bylaw delegates Council's tax relief powers under section 347 of the *Municipal Government Act* (MGA) to the City Assessor in order to directly administer Council's tax relief policy. In accordance with the City of Edmonton Charter, delegation authority is limited to \$500,000 per taxation year.

Readings

Charter Bylaw 18652 is ready for second and third reading.

Advertising and Signing

This Charter Bylaw has been advertised in accordance with section 606 of the Municipal Government Act. The Charter Bylaw cannot be signed, and thereby passed, before a public hearing about the Charter Bylaw takes place.

Position of Administration

Administration supports this Charter Bylaw.

Previous Council/Committee Action

At the December 11, 2018, City Council Public Hearing, Bylaw 18652 received first reading.

Report Summary

This bylaw delegates Council's tax relief powers under section 347 of the *Municipal Government Act* to the City Assessor in order to directly administer Council's tax relief policy. In accordance with the City of Edmonton Charter, delegation authority is limited to \$500,000 per taxation year.

Report

Section 347 of the *Municipal Government Act* empowers City Council to cancel, refund or defer property taxes and penalties at its discretion. In order to support Council's use of this authority and ensure its application is fair and consistent, two tax relief policies

were passed. The first was the Tax Adjustment and Rebate Criteria, which governed when property tax rebates were warranted. The second was the Retroactive Municipal Tax Refunds Policy, which governed tax relief for religious and non-profit groups during their construction period.

On October 23, 2018, City Council was presented a report that proposed to update and consolidate the two aforementioned policies. That report was referred back to Administration with recommended changes and was approved by City Council with changes on January 22, 2019.

In 2018, new provincial legislation was passed in the form of the City of Edmonton Charter. The City of Edmonton Charter allows Council to delegate its tax cancellation authority to administration up to \$500,000 per tax year. This bylaw empowers the City Assessor with that delegated authority.

The delegated officer will administer the use of this authority and use Council's Retroactive Municipal Tax Relief Policy as the parameters for when tax relief will be provided. City Council still retains authority to provide additional tax relief if it decides such action is warranted, but procedural tax relief that is covered within the policy will be administered without the need for Council review.

Public Engagement

Council is required to hold a public hearing for any bylaw proposed under the authority of the City of Edmonton Charter. Council must hold the public hearing before giving second reading to the proposed Charter Bylaw; they must give notice of the public hearing in accordance with section 606 of the *MGA* and conduct the public hearing during a regular or special council meeting.

After the proposed Charter Bylaw has been advertised, electors may submit a petition to the City requesting a vote of the electors on the bylaw. To be sufficient, the petition must meet the minimum number of petitioners—10 percent of the City's population—and must be filed with the City's Chief Administrative Officer within 60 days after the last date on which the proposed Charter Bylaw is advertised.

Advertising in accordance with section 606 was completed on December 24, 2018.

Budget/Financial Implications

This delegation bylaw is to a maximum of \$500,000. Further limitations on this delegation can be done by restricting the circumstances under which Council provides tax relief. Council will review the Retroactive Municipal Tax Relief Policy in early 2019.

Legal Implications

Section 347(1) of the *Municipal Government Act* empowers City Council to do one or more of the following with respect to property taxes, if it considers it equitable to do so:

1. Cancel or reduce tax arrears;
2. Cancel or refund all or part of a tax;
3. Defer the collection of a tax.

City Council may only do so with respect to a specific taxable property or business, or a class of taxable properties or businesses.

The City of Edmonton Charter allows Council to delegate, by bylaw, the power to forgive taxes to a maximum amount of \$500,000 in any taxation year.

Since this proposed bylaw is a Charter Bylaw, a public hearing must be held prior to it receiving second reading.

Corporate Outcomes and Performance Management

Corporate Outcome: The City of Edmonton has a resilient financial position			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Address tax relief requests in an efficient and uniform manner.	Number of requests and reports per year.	As of October 1, 2018, the City of Edmonton had 94 qualifying requests for tax relief, which resulted in 9 separate reports to Council.	N/A

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Commercial	Tax relief requests may become more common as the policy becomes more well-known.	5	1	5	There is a maximum tax relief designated of \$500,000 to the delegate.	Council may choose to adjust its policy to be more restrictive in the future.

Attachment

1. Charter Bylaw 18652