



## UPCOMING PUBLIC HEARING(S) - PROPOSED BYLAWS AND REPORTS

June 4, 2024

### **PUBLIC SUBMISSIONS**

To submit comments on any of the items below, click the *Submit Comment* link. Please include the bylaw number, public hearing date, and your name and address with your submission.

#### **[Submit Comment](#)**

1. **Proposed Bylaw 3H2024 - Tax Relief Delegation Charter Bylaw**



Corporate Planning & Financial Services Report to  
Executive Committee  
2024 March 12

ISC: UNRESTRICTED  
EC2024-0105

## Charter Bylaw and Council Policy for Tax Corrections and Compassionate Penalty Relief

---

### PURPOSE

The purpose of this report is to amend [Charter Bylaw 1H2018](#) and to enact a new Council Policy on “Tax Relief Delegated to Administration.” This will enable Administration to provide an updated compassionate property tax penalty relief program, and correct certain types of assessment-related errors where taxpayers incurred taxes in error within the previous two years.

### PREVIOUS COUNCIL DIRECTION

This is a report back in response to [Notice of Motion EC2023-0457](#), approved by Council at the 2023 May 09 Regular Meeting of Council. Council directed Administration to review the [Compassionate Property Tax Penalty Relief \(“Compassionate Relief”\) Program](#); recommend an updated Charter Bylaw and new Council Policy to provide compassionate penalty relief and to correct prior-year assessment errors; and to create an annual reporting mechanism to ensure compliance with the principles of fairness and equity to taxpayers.

### RECOMMENDATIONS:

That the Executive Committee:

1. Direct Administration to:
  - a. Forward Report EC2024-0105 to the 2024 June 4 Public Hearing Meeting of Council; and
  - b. Publish a notice of the 2024 June 4 Public Hearing of the Proposed Charter Bylaw under Report EC2024-0105 in two issues of a newspaper, with each issue being in consecutive weeks and no later than 2024 April 4; and
2. Recommend that Council:
  - a. Give three readings to the Proposed Charter Bylaw (Attachment 2) to amend Charter Bylaw 1H2018 to delegate authority to Administration to cancel, reduce, refund or defer taxes up to \$500,000 per taxation year in accordance with an approved Council Policy; and
  - b. Adopt the proposed Council Policy on “Tax Relief Delegated to Administration” (Attachment 3), should the proposed Charter Bylaw be fully approved by Council.

### CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Carla Male, Chief Financial Officer and General Manager of Corporate Planning & Financial Services concurs with this report.

### HIGHLIGHTS

- Administration is recommending amendments to Charter Bylaw 1H2018 and adoption of a new Council Policy. Together, they will enable an updated Compassionate Property Tax Penalty Relief Program and allow Administration to correct for prior-year property assessment errors, to a maximum of \$500,000 per year in delegated tax relief powers (the maximum available under current regulations).
- Proposed changes include an expanded eligibility window and other updates to the Compassionate Property Tax Penalty Relief Program to be more inclusive of various

## **Charter Bylaw and Council Policy for Tax Corrections and Compassionate Penalty Relief**

---

circumstances, and the ability for Administration to correct certain prior-year assessment errors.

- Delegating authority for these types of tax relief will allow The City to provide more efficient and responsive customer service, particularly for correction of prior-year errors which currently require Council's approval through a twice-annual report which has historically always been approved.

### **DISCUSSION**

#### ***Compassionate Property Tax Penalty Relief***

The current Compassionate Property Tax Penalty Relief Program was created in 2018. Through the program, eligible taxpayers who incur property tax penalties on their principal residence when they or their immediate family member has experienced a critical illness diagnosis or death in the 60 days before the tax payment deadline, may have the penalties canceled.

Administration completed a jurisdictional scan to inform revisions to the Compassionate Property Tax Penalty Relief Program. Highlights from the jurisdictional scan are included in Attachment 4, alongside a summary and analysis of the most notable changes to the existing programming.

Recommended changes to the Compassionate Property Tax Penalty Relief program include:

- More inclusive and flexible terminology to ensure the program is accessible by taxpayers with a variety of household or family structures.
- An expansion of the timeline for extraordinary circumstances to occur within 90 days of the tax payment deadline (increased from 60 days), to accommodate more circumstances, such as settling an estate or probate periods.
- Approvals for providing tax relief will be changed to the Director, Assessment & Tax/Municipal Assessor, from the Chief Financial Officer.

#### ***Correction of Prior-Year Assessment Errors***

Currently, Administration may only correct errors in property assessments within the current year. To correct errors from previous years, Council may approve a tax cancellation or refund to a taxpayer impacted by such an error. This process is facilitated twice annually, through the "Assessment & Tax Circumstances Report." However, this can result in taxpayers waiting for months for a resolution to their assessment issue due to the cadence of Council reporting.

Since at least 2008, Council has always approved Administration's Circumstances Report recommendations. Most errors on the Circumstances Report are caused by something outside the control of the property owner and are related to objective facts about a property where a correction or new information was unable to be processed prior to the year-end assessment roll system lockout. The most notable proposed change related to prior-year assessment errors is providing the delegated authorities to Administration to correct them. The criteria of errors that can be corrected through this process has also been updated to provide greater clarity and consistency in Administration's decision-making through the delegated process, while remaining consistent with current practices. The updated criteria are included in the proposed Council Policy, Attachment 3.

## Charter Bylaw and Council Policy for Tax Corrections and Compassionate Penalty Relief

---

Additional background on both the Compassionate Relief Program and the Circumstances Report process, including historical costs, is included in Attachment 1.

### **Next Steps**

In accordance with section 9 of the City of Calgary Charter Regulation and Part 7 and sections 216.4, 231, and 606 of the Municipal Government Act, a public hearing, including advertising is required prior to the second reading of a Charter Bylaw. This also includes the ability for electors to file a petition for a vote of electors in respect of the Charter Bylaw.

Following the public hearing, if Council approves both the proposed Charter Bylaw and Council Policy, Administration will begin implementation as soon as possible. Administration intends to provide an annual report on the use of these delegated tax relief authorities to Council as part of the Annual Property Tax Exemptions and Tax Relief Expenditures Briefing, pursuant to the original direction in the Notice of Motion, and to the proposed Council Policy.

### **EXTERNAL ENGAGEMENT AND COMMUNICATION**

- |  |   |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken        | <input type="checkbox"/> Dialogue with interested parties was undertaken                |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

### **IMPLICATIONS**

#### **Social**

The updated criteria for the Compassionate Relief Program is intended to reduce barriers to access for more diverse household and family structures, in accordance with the [Social Wellbeing Policy](#). The proposed updates will expand access to multi-generational and extended family households, who may not qualify in the existing program. The updated program will continue to support social resilience by mitigating tax penalties for Calgary residents who are going through difficult times, such as a critical illness diagnosis or death in the family leading up to the tax payment deadline.

#### **Environmental**

Not applicable.

#### **Economic**

The proposed Charter Bylaw and Council Policy will enable Administration to provide more efficient and responsive services to taxpayers, including to cancel or refund taxes levied due to an error, helping to mitigate financial risks for taxpayers associated with property assessment errors.

#### **Service and Financial Implications**

Existing operating funding - base

- The current Compassionate Relief Program has used less than half of its \$25,000 annual budget in each year since the program started. New costs from the updated program are expected to remain within the existing budget.

## Charter Bylaw and Council Policy for Tax Corrections and Compassionate Penalty Relief

---

- In the past five years, costs associated with corrections of prior-year assessment errors made through the Circumstances Report have remained under one-third of the existing \$1 million annual budget. Costs under the new policy are expected to remain within the existing budget.

### RISK

- Unanticipated growth in use of the Compassionate Relief Program could result in lost penalty revenues for The City beyond the \$25,000 budget. However, forecasted costs remain within the existing budget, and ongoing monitoring and reporting on the program will also permit evaluation and amendment as needed.
- A significant increase in circumstances warranting tax relief through the proposed policy could result in exceeding the maximum of \$500,000 delegated tax relief per year. To reduce this risk, Administration reviews all assessment errors corrected through this process and works to mitigate them from reoccurring where possible. Administration may also report to Council with recommendations for tax relief beyond the \$500,000 delegated maximum if it became necessary, pursuant to section 347 of the Municipal Government Act.
- Maintaining the current Compassionate Relief Program will mean the program will continue to operate with its comparatively limiting terminology and eligibility window, resulting in reduced overall accessibility of the program.
- Maintaining the status quo for correcting prior-year errors will mean taxpayers impacted by a prior-year assessment error must wait, often months at a time, for the Circumstances Report process to complete to resolve their tax issues.

### ATTACHMENT(S)

1. Background and Previous Direction
2. Proposed Charter Bylaw
3. Proposed Council Policy on Tax Relief Delegated to Administration
4. Summary and Analysis of Substantive Policy Changes
5. Presentation

#### Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Carla Male, Chief Financial Officer/General Manager	Corporate Planning & Financial Services	Approve
Eddie Lee, Director/City Assessor	Assessment & Tax	Approve
Les Tochor, Director/Deputy CFO/City Treasurer	Finance	Inform

# Background and Previous Council Direction

## Background

### Correction of Prior-Year Assessment Errors (“The Circumstances Report”)

When an error occurs on the assessment roll, Administration may only correct the error within the current year. Where an error from a prior year resulted in a property owner incurring taxes or penalties in error, Council’s approval is required to cancel or refund those taxes to the property owner.

To facilitate these corrections, Administration has historically delivered the Circumstances Report twice annually to Council, providing recommendations for the cancellation or refund of taxes incurred because of a prior-year property assessment error.

Errors that currently qualify for inclusion on the Circumstance Report are focused on situations where the assessment of a property included an objective error of fact that was not identified within the subject taxation year, and commonly include situations where:

- A property owner is not notified of a change to their assessment (e.g., an assessment account is set up in error and an assessment notice is mailed to the incorrect address);
- The City was notified of the error but did not correct it within that same year;
- Another department within The City was notified of the error, but Assessment & Tax was not informed and was therefore unable to correct it; or
- A property or business’s taxable status changed mid-year but the change was not processed correctly and must be corrected to pro-rate the amount of taxes owing.

The City currently budgets \$1 million per year for the correction of prior-year assessment errors via the Circumstance Report. Actual costs for the prior 5 years are summarized below in table 1.

<b>Year</b>	<b>Amount</b>
2019 (1, 2)	\$209,626.42
<a href="#">2020</a>	\$52,623.22
<a href="#">2021</a>	\$268,419.10
<a href="#">2022</a>	\$301,905.63
<a href="#">2023</a>	\$162,916.42

### Compassionate Property Tax Relief Program

The *Dorothy Motherwell Compassionate Property Tax Penalty Relief* program was launched in 2018 and has continued to be offered since, with one review occurring in 2019. The program allows taxpayers of owner-occupied residential properties to receive relief from property tax penalties incurred when they are unable to pay their taxes by the deadline due to a “Significant Life Event” (i.e., death or critical illness diagnosis of the taxpayer, or an “immediate family member.”). The program does not impact the tax levy, only penalties.

The City currently budgets \$25,000.00 per year for the Compassionate Property Tax Penalty Relief Program (the maximum currently available under Charter Bylaw 1H2018). Costs to The City of the program over its duration are summarized below in table 2.

<b>Table 2: Compassionate Penalty Relief Costs Since Inception</b>			
<b>Year</b>	<b>Accounts (#)</b>	<b>Total \$</b>	<b>Avg.\$/ Account</b>
2018	26	\$5,347.55	\$205.66
2019	25	\$8,216.54	\$316.02
2020	6	\$2,082.88	\$347.15
2021	15	\$2,422.99	\$161.53
2022	26	\$6,108.79	\$234.95
2023	29	\$7,789.90	\$268.61
<b>Average:</b>	<b>21</b>	<b>\$5,328.11</b>	<b>\$255.65</b>

## Previous Council Direction

<b>DATE</b>	<b>REPORT NUMBER</b>	<b>DIRECTION/DESCRIPTION</b>
2023 May 09	<a href="#">EC2023-0457</a>	<p><b>Notice of Motion – Compassionate Property Tax Penalty Relief Policy Updates</b></p> <p>Council directed Administration to: (a) recommend an updated Charter Bylaw and new Council Policy to delegate tax relief authority to Administration to cancel, reduce, refund, or defer taxes to: (i) Provide compassionate property tax relief in accordance with an updated program; and (ii) Correct prior year errors in limited circumstances where property owners incurred property tax or penalties in error (i.e., errors identified within two years after the error occurred, consistent with current practice); and (b) Create an annual reporting mechanism to ensure compliance with the principles of fairness and equity to taxpayers.</p>
2019 December 16	<a href="#">PFC2019-1105</a>	<p><b>Compassionate Property Tax Penalty Relief Report Back</b></p> <p>Following the offering of the Compassionate Property Tax Penalty Relief program for two property taxation cycles, Administration reported back with findings of the program, and Council approved the continued offering of the program in accordance with the principles and guidelines outlined to support the preliminary program.</p>
2018 July 25	<a href="#">PFC2018-0761</a>	<p><b>Delegation Bylaw to support the Compassionate Tax Penalty Relief Program</b></p> <p>Charter Bylaw 1H2018 (see below in this attachment for details about the bylaw) was presented to Council for approval. As a Charter Bylaw, a public hearing was required, but no one addressed Council with respect to Charter Bylaw</p>



		1H2018. Council approved the Charter Bylaw, which also triggered Administration to begin offering the Relief Program.
2018 June 25	<a href="#">PFC2018-0325</a>	<p><b>Compassionate Property Tax Penalty Relief</b></p> <p>Administration reported to Council with a jurisdictional scan of other municipal, provincial and federal tax relief programs, proposed criteria, guidelines and definitions for the Compassionate Property Tax Penalty Relief program. Council approved the program, with the program itself pending approval of the delegation Charter Bylaw.</p>
2017 September 11	<a href="#">NM2017-30</a>	<p><b>Notice of Motion - Dorothy Motherwell Tax Penalty Relief</b></p> <p>Arising from a taxpayer's personal circumstances interfering with their ability to pay their taxes on time, Council approved a Notice of Motion to cancel a portion of the taxpayer's taxes, and also to direct Administration to investigate other tax forgiveness programs and the impact to City tax revenues and legal ramifications of canceling taxes due to extraordinary circumstances, and to return with recommendations in Q2 2018.</p>

## Bylaws, Regulations, Council Policies

Both the existing programs and proposed Council Policy rely on several pieces of interrelated legislation, regulations and bylaws:

### Municipal Government Act (“MGA”)

**Section 305** of the MGA governs the correction of the assessment roll. Per section 305(1)(a), the assessor may correct the assessment roll for the current year only. For this reason, prior-year errors cannot be corrected under the authority of section 305, and they must instead be addressed via section 347.

**Section 347** of the MGA permits Council to, if it considers it equitable to do so, cancel or reduce tax arrears, cancel or refund all or part of a tax, or defer the collection of a tax. This is the mechanism by which penalties are cancelled or refunded for compassionate purposes, as well as the mechanism by which prior-year taxes or penalties levied or collected in error may be cancelled or refunded through the Circumstances Report.

Note that section **203(2)(d)** of the MGA normally prevents Council from delegating its power with respect to taxes under section 347, as outlined above. However, the City of Calgary Charter, 2018 Regulation modifies the MGA as outlined below to permit this delegation.

### City of Calgary Charter, 2018 Regulation (“Charter”)

**Section 4(5)(b)** of the Charter modifies section 203(2)(d) to permit Council to delegate its power with respect to taxes under section 347 to a maximum of \$500,000 per taxation year.

**Section 9(1)** of the Charter requires a public hearing in respect of the proposed bylaw in accordance with section 216.4 of the MGA, with notice provided in accordance with section 606 of the MGA.

**Section 10(4)** of the Charter requires any bylaw made under the Charter to include the words “Charter Bylaw” in its name.

### **Tax Penalty Cancellation Delegation Charter Bylaw 1H2018**

**Note:** Charter Bylaw 1H2018 would be amended by the proposed bylaw.

Charter Bylaw 1H2018 utilizes section 4(5)(b) of the Charter, outlined above, to delegate authority for up to \$25,000 in tax cancellations, reductions, refunds, or deferments to the Chief Financial Officer for the purposes of the Compassionate Property Tax Penalty Relief Program.

### **Tax Penalty Bylaw 8M2002**

Pursuant to sections 344 – 346 of the MGA, Tax Penalty Bylaw 8M2002 establishes penalties of 7% each on July 1 and October 1 following the payment deadline, and 1% on the first of each month commencing on the first day of January following the year the taxes are imposed, on any amount of taxes unpaid after the payment deadline.

Bylaw 8M2002 sets out the penalties that may be cancelled or refunded under the Compassionate Property Tax Penalty Relief Program, or when correcting a prior-year error which caused penalties to accrue, where relevant.

### **Tax Instalment Payment Plan (TIPP) Bylaw 9M2002**

Bylaw 9M2002 enables Taxpayers to pay their taxes by way of monthly instalments. While enrolled in TIPP, a Taxpayer does not incur penalties, making them ineligible for compassionate property tax penalty relief (i.e., no penalties can be incurred to relieve them of). If a TIPP agreement is terminated, such as if the Taxpayer does not pay by the monthly deadlines set out in their agreement, their taxes are deemed due and payable immediately upon termination of the agreement, and penalties may apply at that time. In this case, a Taxpayer may then qualify for compassionate relief under the proposed Council Policy.

### **Municipal Assessor Bylaw 49M2007**

Bylaw 49M2007 establishes the designated officer position of Municipal Assessor in accordance with the MGA, details the various powers, duties and functions of the Municipal Assessor, and establishes reporting lines and authority to delegate.

### **Business Improvement Area Tax Bylaw** (varies – approved annually for each Taxation Year; [2024 BIA Tax Bylaw linked for reference](#))

The BIA Tax Bylaw establishes penalties of 7% each on April 1 and July 1 following the payment deadline for BIA taxes, and 1% on the first of each month commencing on the first day of January following the year the taxes are imposed, on any amount of taxes unpaid after the payment deadline.

BIA tax penalties may be cancelled or refunded due to corrections of a prior-year error in the assessment or taxation of a business for BIA tax.

**PROPOSED TEXT OF A BYLAW TO AMEND BYLAW 1H2018, THE TAX  
PENALTY CANCELLATION CHARTER BYLAW**

1. Bylaw 1H2018, the Tax Penalty Cancellation Charter Bylaw is hereby amended.
2. The third paragraph of the preamble is deleted and replaced with the following:  
  
“**AND WHEREAS** pursuant to section 347 of the *Act* Council may cancel or reduce tax arrears or cancel or refund all or part of a tax or defer the collection of a tax;”
3. The sixth paragraph of the preamble is deleted and replaced with the following:  
  
“**AND WHEREAS** Council has approved a policy to guide the Municipal Assessor in exercising the authority delegated by this bylaw to:
  - (i) To cancel reduce or refund taxes incurred by an eligible taxpayer or assessed person;
  - (ii) To cancel, reduce or refund taxes or tax arrears, including penalties due to a qualifying prior-year error.”
4. The seventh paragraph of the preamble is deleted and replaced with the following:  
  
“**AND WHEREAS** pursuant to the Charter, Council must, before giving second reading to a proposed bylaw under the authority provided by section 4 of the Charter, hold a public hearing in respect of the proposed bylaw after giving notice of it in accordance with the *Act*.”
5. In the last paragraph of the preamble, the number “230” is deleted and replaced with “216.4”
6. Section 1 is deleted in its entirety and replaced with the following:  
  
“1. This Bylaw may be cited as the “Tax Relief Delegation Charter Bylaw”.”
7. In section 3, the word “Chief Financial Officer” is deleted and replaced with “Municipal Assessor”.
8. At the end of section 3 the words “of \$25,000 in a taxation year” is deleted and replaced with the “as permitted in section 4(5) of the Charter in a taxation year.”
9. Section 4 is deleted and replaced with the following:  
  
“4 The power delegated to the Municipal Assessor in section 3 shall only be exercised in accordance with any Council approved bylaw or policy.”
10. The following is added after section 4 as sections 4.1, 4.2 and 4.3:

- “4.1 The Municipal Assessor can further delegate the power in section 3 to any employee of the Municipality.”
  - “4.2 The Municipal Assessor shall track and report to Council at least on an annual basis, the exercise of any power noted in section 3.”
  - “4.3 Council reserves the right to exercise any of the powers noted in section 3, notwithstanding the powers being delegated to the Municipal Assessor.”
11. This Bylaw comes into force upon receiving three readings and being published on the City’s website in accordance with section 10 of the City of Calgary Charter, 2018 Regulation, AR 40/2018.

TEXT FOR DISCUSSION ONLY



**Council Policy**

**Policy Title:** Tax Relief Delegated to Administration Policy  
**Policy Number:** Assigned by the City Clerk's Office  
**Report Number:** EC2024-0105  
**Adopted by/Date:** Council / Date Council policy was adopted  
**Effective Date:** Date adopted or later as directed by Council  
**Last Amended:** Date of the last amendment, if any  
**Policy Owner:** Assessment & Tax

**1. POLICY STATEMENT**

- 1.1 In accordance with Charter Bylaw 1H2018, the Municipal Assessor may grant up to \$500,000 in Tax Relief cumulatively per Taxation Year for the following purposes:
  - (a) to cancel, reduce or refund up to three individual property tax penalties incurred:
    - (i) in respect of a Residential Property; and
    - (ii) by a Taxpayer who experiences Extraordinary Circumstances within the 90 days leading up to the tax payment deadline; or
  - (b) to cancel, reduce or refund taxes or tax arrears, including applicable penalties, that were levied because of a Qualifying Prior-Year Error.
- 1.2 The Municipal Assessor is not authorized to defer the collection of taxes under this policy.
- 1.3 The Municipal Assessor must consider the fairness, equity, and stability of the taxation system when granting Tax Relief.
- 1.4 Tax Relief available under this policy is discretionary and is contingent upon the Taxpayer or Assessed Person's application for Tax Relief meeting the requirements as stipulated in this policy.
- 1.5 Decisions made under this policy are final with no right of appeal.
- 1.6 This policy does not limit Council's power to cancel, reduce, refund or defer the collection of taxes in accordance with the *Municipal Government Act (MGA)*, s. 347.

**2. PURPOSE**

- 2.1 This policy establishes the criteria and procedures through which the Municipal Assessor may grant Tax Relief.

- 2.2 By enabling the Municipal Assessor to provide Tax Relief for the purposes established in this policy, this policy is intended to:
- (a) alleviate penalties incurred by Taxpayers of Residential Properties due to Extraordinary Circumstances outside of their control or reasonable ability to prevent or foresee;
  - (b) support Calgary Assessed Persons or Taxpayers with more efficient and responsive customer service; and
  - (c) address Qualifying Prior-Year Errors to support fairness and equity in Taxpayer responsibility.

### 3. **DEFINITIONS**

3.1 In this Council Policy:

- (a) “Assessed Person” means a person who is named on an assessment roll in accordance with *MGA*, s. 304;
- (b) “*Charter*” means the *City of Calgary Charter, 2018 Regulation*, Alta Reg 40/2018;
- (c) “Extraordinary Circumstances” means circumstances that directly impact a Taxpayer’s ability to pay their property tax by the applicable payment deadline, not including financial ability, but including the death or critical illness diagnosis of the Taxpayer or a Related Person;
- (d) “*MGA*” means the *Municipal Government Act*, RSA 2000 c. M-26;
- (e) “Municipal Assessor” means the designated officer appointed in accordance with Bylaw 49M2007, or their delegate;
- (f) “Qualifying Prior-Year Error” means an objective error, omission or misdescription of facts in the assessment or tax roll of the prior two Taxation Years:
  - (i) where the error was identified during the subject Taxation Year and not corrected in that year; or
  - (ii) where there were circumstances that made it impossible to identify the error in the subject Taxation Year; and
  - (iii) including but not limited to errors relating to:
    - (A) the physical characteristics of a property or business premises that contribute to the value of the property;
    - (B) the property type or assessment class;

- (C) assessment of a business that is no longer in operation, or is no longer at the assessed premises; or
  - (D) the taxable status of a property or business, if sufficient information was provided to the Municipal Assessor during the subject Taxation Year to substantiate the property or business as partially or fully exempt from taxation; and
- (iv) not including errors, omissions or misdescriptions arising due to:
- (A) inaccurate or incomplete information provided by the Assessed Person or Taxpayer to the Municipal Assessor about the property or business; or
  - (B) non-compliance with a request for information about the property or business made by the Municipal Assessor in accordance with *MGA*, ss. 294 and 295;
- (g) “Related Person” means a person:
- (i) related to the Taxpayer by blood, marriage, common-law, adoption; or
  - (ii) who is a dependent of the Taxpayer and who ordinarily resides within the Taxpayer’s household;
- (h) “Residential Property” means a property that has been assigned a “class 1 – residential” assessment class pursuant to *MGA*, s. 297(1)(a) and that is used as the primary residence of the Assessed Person or Taxpayer applying for Tax Relief;
- (i) “Tax Relief” means the cancellation, reduction, or refunding of all or part of taxes or tax arrears pursuant to this policy;
- (j) “Taxation Year” means the 12-month period beginning on January 1 and ending on the next December 31 in which a tax was levied; and
- (k) “Taxpayer” means the person liable to pay a tax in accordance with *MGA*, s. 331.

#### 4. APPLICABILITY

4.1 This policy applies to:

- (a) the Municipal Assessor in their use of delegated authorities related to Tax Relief; and

- (b) Assessed Persons or Taxpayers seeking Tax Relief for the purposes outlined in this policy.

4.2 This policy is subject to the *MGA* as modified by the *Charter* and Charter Bylaw 1H2018.

4.3 Applicants for Tax Relief under this policy must be the Assessed Person or Taxpayer of the subject property or tax account or an authorized person acting on the Assessed Person or Taxpayer's behalf.

## 5. **LEGISLATIVE AUTHORITY**

5.1 Pursuant to *MGA*, s. 203(2)(d) as modified by the *Charter*, s. 4(5), Council may delegate its power with respect to taxes under *MGA*, s. 347, where the total amount of taxes to be cancelled, reduced, refunded or deferred by The City of Calgary in a Taxation Year does not exceed \$500,000.

5.2 Pursuant to Charter Bylaw 1H2018, the Municipal Assessor may cancel or reduce tax arrears, or cancel or refund all or part of a tax, up to the cumulative amount as permitted by the *Charter*, s. 4(5) only in accordance with a Council Policy or bylaw and must track and report the use of Tax Relief powers to Council at least on an annual basis.

5.3 Pursuant to Bylaw 49M2007, s. 4, the Municipal Assessor may sub-delegate their authorities under this policy.

## 6. **PROCEDURE**

6.1 The Municipal Assessor may develop policies, procedures, or forms which elaborate on but do not conflict with this policy to support the implementation of this policy.

6.2 Pursuant to *MGA* ss. 294 and 295, a person must provide, on request by the Municipal Assessor, any information necessary for the Municipal Assessor to carry out this policy, including to substantiate eligibility.

6.4 Pursuant to Charter Bylaw 1H2018, s. 4.3, the Municipal Assessor must report to Council at least once per year, detailing the use of Tax Relief under this policy in the previous Taxation Year.

6.5 If the cumulative amount of Tax Relief to be granted in accordance with this policy may exceed \$500,000 in a given Taxation Year, the Municipal Assessor may recommend Tax Relief to Council for approval in accordance with *MGA*, s. 347 including the following details:

- (a) the roll number for the subject property or business;
- (b) the civic address for the subject property or business;



- (c) the total value of the recommended cancellation, reduction, or refund in respect of the subject property or business; and
- (d) the purpose of the recommended cancellation, reduction, or refund pursuant to this policy, s. 1.1.

**7. AMENDMENT(S)**

Date of Council Decision	Report/By-Law	Description

**8. REVIEWS(S)**

Date of Policy Owner's Review	Description



## Summary and Analysis of Substantive Policy Changes

### Compassionate Relief – Canadian Jurisdictional Scan

#### Summary

While most provinces and municipalities do not offer (or do not have the necessary legislative framework to offer) formal compassionate property tax penalty relief programs, various municipalities have some form of relief, often for circumstances such as financial hardship, destruction of property, and death or serious illness. The scan below includes a summary of findings for municipalities under various legislative frameworks.

#### Scan

Jurisdiction	Summary of Findings	Legislation/Policy
Federal (Canada Revenue Agency)	Interest or penalties may be waived in extraordinary circumstances (disaster, serious illness/accident, serious emotional/mental distress, civil disturbance/disruption) or when due to the actions of the Canada Revenue Agency (CRA). The CRA may also consider financial hardship. Documentation is required to support the request, and taxpayers have a right to request a second review, and then judicial review, if unhappy with the original decision. The CRA considers things such as the taxpayer's history of payments and compliance, exercise of reasonable care, and whether they took quick action to remedy.	Canada – <i>Income Tax Act, RSC 1985, c 1 (5<sup>th</sup> Supp)</i> , s. 220(3.1)
Alberta – Airdrie	Penalties on current-year taxes due to the death of a property owner during the month of June will be waived if the executor provides a valid death certificate to the City of Airdrie within 60 days of death.	Airdrie – <i>Tax Penalty Bylaw No. B-09/2018</i> (as amended)
Alberta – Edmonton	Edmonton will consider forgiveness of penalties for residential properties not owned by a corporation, with documentation, for various reasons including: <ul style="list-style-type: none"> <li>• Death of the taxpayer or their immediate family prior to payment due date</li> <li>• Unexpected life-threatening illness of the taxpayer or their immediate family member first diagnosed or where prognosis worsened during the tax payment period.</li> <li>• Hospitalization of the taxpayer during the tax payment period.</li> <li>• Destruction or damage to the building rendering it uninhabitable.</li> </ul> Reports are provided at least annually on the use of these tax relief powers.	Alberta – <i>City of Edmonton Charter, 2018 Regulation, Alta Reg 39/2018</i>  Edmonton – Charter Bylaw 18652  Edmonton – Retroactive Municipal Tax Relief Council Policy
Manitoba - Brandon	No formal compassionate penalty relief program equivalent identified. The <i>Municipal Act</i> does not provide for cancellation of taxes in this manner.	Manitoba - <i>Municipal Act, CCSM c M225</i>

Manitoba – Winnipeg	While the <i>Municipal Act</i> does not provide for cancellation, reduction or refund of taxes for the purposes of a formal compassionate property tax penalty relief program, the <i>City of Winnipeg Charter</i> permits Winnipeg City Council to cancel any taxes it wishes, by bylaw. However, no specific application of this power for formal penalty relief programs was identified.	Manitoba - <i>Municipal Act, CCSM c M225</i>  Manitoba - <i>The City of Winnipeg Charter, SM 2002, c 39, s. 347</i>
Nova Scotia – Halifax	No formal compassionate penalty relief program equivalent identified. The <i>Municipal Government Act</i> provides for councils to be able to exempt low-income persons from all or a part of property taxes, and to establish policy to reduce taxes in the event that a building on the property is fully or partially destroyed. Halifax offers tax relief until the next annual assessment for principal residences destroyed or partially destroyed by fire.	Nova Scotia – <i>Municipal Government Act, SNS 1998, c 18, s. 69-69A</i>
Ontario - Ottawa	Similarly to Toronto but under a different legislative authority, Ottawa taxpayers may have their taxes cancelled, reduced, or refunded if they are unable to pay due to “sickness or extreme poverty.” Decisions are delegated to city administration, with appeals available to an Assessment Review Board.  This same legislative framework applies to other Ontario municipalities, excluding Toronto, with similar programs available but administered differently from one municipality to another.	Ontario – <i>Municipal Act, 2001, SO 2001, c 25, s. 357(d.1)</i>
Ontario – Toronto	Taxpayers may file a Property Tax Appeal including for “sickness or extreme poverty.” Documentation is required, such as financial statements to demonstrate an inability to pay, or a doctor’s statement. Applications are heard by an Assessment Review Board, and are determined through principles of case law.	Ontario – <i>City of Toronto Act, SO 2006, c 11, Sch A, s. 323(1)(e)</i>
Saskatchewan - Regina	No formal compassionate penalty relief program equivalent identified. The <i>Municipalities Act</i> permits municipal councils to cancel, reduce, refund or defer taxes in certain situations including “due to unforeseen hardship to the taxpayer,” if the council determines the taxes have become uncollectable. This appears to be a case-by-case basis, rather than a formal program.	Saskatchewan – <i>The Municipalities Act, SS 2005, c M-36.1, s. 274</i>

## Compassionate Property Tax Penalty Relief Program

**NOTE: Projected costs of options are based on assumptions.** Adopting multiple options to expand the scope or criteria of the program may compound in increased costs. Through regular reviews and annual reporting, Administration will monitor and recommend adjustments should there be unexpected uptake or growth in costs.

### Qualifying Circumstances for Compassionate Relief

Current	Proposed	Notes
<p>“Significant life event” is defined as a death or a critical illness diagnosis impacting the property owner or an immediate family member. Critical illnesses include:</p> <ul style="list-style-type: none"> <li>• Heart attack</li> <li>• Coronary bypass surgery</li> <li>• Stroke</li> <li>• Cancer</li> <li>• Paralysis</li> <li>• Major organ transplant: <ul style="list-style-type: none"> <li>○ Heart</li> <li>○ Liver</li> <li>○ Bone marrow</li> <li>○ Lungs</li> <li>○ Kidney</li> </ul> </li> <li>• Major organ failure (as above)</li> <li>• Multiple Sclerosis</li> <li>• Blindness</li> <li>• Deafness</li> <li>• Parkinson’s</li> <li>• Alzheimer’s</li> <li>• Loss of speech</li> <li>• Major burns</li> <li>• HIV infection</li> <li>• Brain tumour</li> <li>• Coma</li> <li>• Other serious medical condition</li> </ul>	<p>“Extraordinary Circumstances” means circumstances that directly impact a Taxpayer’s ability to pay their property tax by the applicable payment deadline, not including financial ability, but including the death or critical illness diagnosis of the Taxpayer or a Related Person.</p>	<ul style="list-style-type: none"> <li>• Adheres to the original principles of the compassionate relief program while providing additional flexibility for a wider variety of circumstances, supported by an attestation/declaration on the relief application (consistent with current practice).</li> <li>• Use of the application and declaration form relieves pressure on City employees who do not have medical expertise to determine what “other medical conditions” do or do not qualify.</li> <li>• Legislation and the proposed policy permits Administration to request additional information if needed to substantiate eligibility (e.g., death certificate, physician’s note, etc.).</li> <li>• Compassionate Relief was and is not intended to provide relief in situations where a taxpayer is financially unable to pay their taxes, but is reserved for situations where other circumstances prevented them from paying on-time.</li> <li>• A list of common eligible illnesses or conditions, like the current list, can be retained and made available, to support taxpayers’ understanding and self-selection for the program, and consistency in administration of the program.</li> </ul> <p><b>Projected Cost:</b> Approximately 5-10 additional approvals per year, based on added flexibility of the criteria. Based on an average of \$255.65 per account, this may result in \$1,278.25 - \$2,556.50 in additional costs for the program.</p>

## Eligibility Timeline for Compassionate Relief

Current	Proposed	Notes
<p>“Significant life event” must occur within the 60 days prior to payment deadline.</p>	<p>Expand eligibility timeline to <b>90</b> days prior to payment deadline.</p>	<ul style="list-style-type: none"> <li>Maintains clear timeline and parameters for ease of administering program and processing applications.</li> <li>Better accommodates circumstances such as probate periods to release funds from an estate to pay taxes (average probate period is appx. 3 months in Canada, according to <a href="https://www.insurdinary.ca">Insurdinary.ca</a> – a Canadian insurance rate comparison website partnered with organizations including Green Shield Canada, Manulife, RBC Insurance, etc.).</li> </ul> <p><b>Projected Cost:</b> Based on a 50% increase in the eligibility window, assume an additional 50% in program access. Based on a current average of \$5,328 per year, this may result in \$2,664 in additional costs for the program.</p>

## “Immediate Family Member” Definition

Current	Proposed	Notes
<p>“Immediate family member” is defined as:</p> <ul style="list-style-type: none"> <li>Current spouse (including common-law and same gender)</li> <li>Parent</li> <li>Step-parent</li> <li>Guardian</li> <li>Brother</li> <li>Child</li> <li>Step-Child</li> <li>Foster-child/ward</li> <li>Grandparent</li> <li>Step-grandparent</li> <li>Grandchild</li> <li>Step-grandchild</li> </ul>	<p>“Related Person” means a person:</p> <ul style="list-style-type: none"> <li>(i) related to the Taxpayer by blood, marriage, common-law, adoption; or</li> <li>(ii) who is dependent upon the Taxpayer and who ordinarily resides within the Taxpayer’s household.</li> </ul>	<ul style="list-style-type: none"> <li>Aligns with terminology used by the Canada Revenue Agency under the Income Tax Act.</li> <li>Aligns with the City’s <a href="#">Social Wellbeing Policy</a> to remove barriers to access penalty relief, particularly for multi-generational or extended family households who may not be eligible under current “immediate family” definition/parameters.</li> <li>Broader terminology continues to be complemented by the definition of “Extraordinary Circumstances,” in that the applicant for relief must be able to demonstrate that the circumstances directly impacted their ability to pay their taxes (e.g., providing care to a related person).</li> </ul> <p><b>Projected Cost:</b> Based on a 4.56% increase in eligible households and current average of 21 relief beneficiaries per year, assume approximately</p>

Current		Proposed	Notes						
<ul style="list-style-type: none"> <li>Step-brother</li> <li>Sister</li> <li>Step-sister</li> </ul>	<ul style="list-style-type: none"> <li>Related dependent living in same household</li> </ul>		<p>1-2 additional accounts per year (\$255.65 - \$511.3 per year in additional costs).</p> <table border="1"> <tr> <td><b>Approximate current “immediate family member” eligible households:</b> Multigenerational, one-census-family households with/without children (Calgary census metro. area, 2021<sup>1</sup>):</td> <td>365,565 (64.88%)</td> </tr> <tr> <td><b>Approximate additional “related person” eligible households:</b> Multi-family, one family with additional persons households:</td> <td>+ 25,680 (+ 4.56%)</td> </tr> <tr> <td><b>Total census households</b> (Calgary census metro. area, 2021):</td> <td>563,440 (100%)</td> </tr> </table>	<b>Approximate current “immediate family member” eligible households:</b> Multigenerational, one-census-family households with/without children (Calgary census metro. area, 2021 <sup>1</sup> ):	365,565 (64.88%)	<b>Approximate additional “related person” eligible households:</b> Multi-family, one family with additional persons households:	+ 25,680 (+ 4.56%)	<b>Total census households</b> (Calgary census metro. area, 2021):	563,440 (100%)
<b>Approximate current “immediate family member” eligible households:</b> Multigenerational, one-census-family households with/without children (Calgary census metro. area, 2021 <sup>1</sup> ):	365,565 (64.88%)								
<b>Approximate additional “related person” eligible households:</b> Multi-family, one family with additional persons households:	+ 25,680 (+ 4.56%)								
<b>Total census households</b> (Calgary census metro. area, 2021):	563,440 (100%)								

## Correction of Prior-Year Assessment Errors

### Categories of Qualifying Errors for Correction

Current	Proposed	Notes
<p>To qualify for a previous year adjustment, the error must be reported within the two years after the error occurred and meet at least one of the following criteria:</p> <ol style="list-style-type: none"> <li>The property owner was not aware and/or was not notified of the change in assessment and so was unable to bring the error to the assessor’s attention within the applicable Taxation Year.</li> <li>The Assessment Business Unit was advised of the error within the applicable Taxation</li> </ol>	<p>“Qualifying Prior-Year Error” means an objective error, omission or misdescription of facts in the assessment or tax roll of the prior two Taxation Years:</p> <ol style="list-style-type: none"> <li>where the error was identified during the subject Taxation Year and not corrected in that year; or</li> <li>where there were circumstances that made it impossible to identify the error in the subject Taxation Year; and</li> </ol>	<ul style="list-style-type: none"> <li>Drafted with the City’s <a href="#">Plain Language Policy</a> in mind while balancing necessary technical language for legislative compliance and consistency in interpretation within Administration.</li> <li>Continues to enforce the expectation for property owners to review their assessment</li> </ul>

<sup>1</sup> Statistics Canada. [Table 98-10-0138-01 Household type including multigenerational households and structural type of dwelling: Canada, provinces and territories, census metropolitan areas and census agglomerations.](#)

ISC: UNRESTRICTED

Current	Proposed	Notes
<p>Year in the year the assessment error occurred but:</p> <ul style="list-style-type: none"> <li>a. failed to process the correction.</li> <li>b. failed to properly amend the assessment and issued an incorrect amended assessment notice.</li> </ul> <p>3. An assessment account is set up in error and the assessment notice is mailed to an incorrect address.</p> <p>4. Another City department(s) was notified by the taxpayer of an error to a change in business assessment and the Assessment business unit was not notified accordingly during the applicable taxation year to correct the assessment.</p>	<ul style="list-style-type: none"> <li>(iii) including but not limited to errors relating to:               <ul style="list-style-type: none"> <li>(A) the physical characteristics of a property or business premises that contribute to the value of the property;</li> <li>(B) the property type or assessment class;</li> <li>(C) assessment of a business that is no longer in operation, or is no longer at the assessed premises; or</li> <li>(D) the taxable status of a property or business, if sufficient information was provided to the Municipal Assessor during the subject Taxation Year to substantiate the property or business as partially or fully exempt from taxation; and</li> </ul> </li> <li>(iv) not including errors, omissions or misdescriptions arising due to:               <ul style="list-style-type: none"> <li>(A) inaccurate or incomplete information provided by the Assessed Person or Taxpayer to the Municipal Assessor about the property or business; or</li> <li>(B) non-compliance with a request for information about the property or business made by the Municipal Assessor in accordance with <i>MGA</i>, ss. 294 and 295.</li> </ul> </li> </ul>	<p>details during The City’s Customer Review Period, ensuring corrections for prior years remain a measure of last resort.</p> <ul style="list-style-type: none"> <li>• Provides some tangible examples of the types of errors that may be considered for correction for added clarity.</li> <li>• Implementation of revised criteria is expected to remain largely consistent with current practice; no specific new additional costs are anticipated.</li> </ul>



Calgary



# Charter Bylaw and Council Policy for Tax Corrections and Compassionate Penalty Relief

EC2024-0105  
2024 March 12

# Previous Council Direction

This is a report back in response to **Notice of Motion EC2023-0457**, approved by Council at the 2023 May 09 Regular Meeting of Council.

Council directed Administration to:

- Review the Dorothy Motherwell Compassionate Property Tax Penalty Relief (“Compassionate Relief”) Program;
- Recommend an updated Charter Bylaw and new Council Policy to provide compassionate penalty relief and to correct prior year assessment or tax errors; and
- Create an annual reporting mechanism to ensure continued compliance with the principles of fairness and equity to taxpayers.

# Recommendations

That the Executive Committee:

1. Direct Administration to:

- a. Forward Report EC2024-0105 to the 2024 June 4 Public Hearing Meeting of Council;  
and
- b. Publish a notice of the 2024 June 4 Public Hearing of the Proposed Charter Bylaw under Report EC2024-0105 in two issues of a newspaper, with each issue being in consecutive weeks and no later than 2024 April 4; and

2. Recommend that Council:

- a. Give three readings to the Proposed Charter Bylaw (Attachment 2) to amend Charter Bylaw 1H2018 to delegated authority to Administration to cancel, reduce, refund or defer taxes up to \$500,000 per taxation year in accordance with an approved Council Policy;  
and
- b. Adopt the proposed Council Policy on “Tax Relief Delegated to Administration” (Attachment 3), should the proposed Charter Bylaw be fully approved by Council.



## Efficient Service Delivery

- Administration will provide tax refund/cancellations to correct errors directly
- No longer requiring the bi-annual *Circumstances Report*
- No more waiting months for a resolution



## More Accessible Supports

- Revised, more inclusive terminology and program criteria
- Larger eligibility window for Compassionate Relief (90 days)
- Error correction criteria updated for clarity and consistency.



## Updated Governance

- Delegation of authority to Director, Assessment & Tax/City Assessor
- Transparent and codified criteria for tax relief in new Council Policy
- Primed for future policy reviews



# Charter Bylaw Amendments

## Current Charter Bylaw 1H2018

Delegates authority to cancel, reduce, refund or defer taxes pursuant to MGA s. 347.

Delegates authority to the **Chief Financial Officer**.

Maximum of **\$25,000** per year.

Tax relief may be granted to **provide Compassionate Penalty Relief only**.

N/A



## Proposed Amendments

N/A

Delegates authority to the **Municipal Assessor**.

Maximum of **\$500,000** per year. (Max allowable under the *Charter*).

Tax relief may be granted **in accordance with a Council Policy or Bylaw**.

Requirement to track and report on the exercise of tax relief powers annually

# Tax Relief Delegated to Administration: Proposed Council Policy



## Compassionate Property Tax Penalty Relief

- New terminology:
  - **“Related Person”** replaces “immediate family member”
  - **“Extraordinary Circumstances”** replaces “significant life issue/event”
- Eligibility window expanded to **90 days** (increased from 60)



## Correction of Prior-Year Errors

- Allows Administration to cancel taxes incurred due to an objective error in the assessment of a property or business.
- Updated criteria from the “Circumstances Report” to be clearer to the public and to ensure the right types of errors can be corrected.



# Process and Next Steps

We are here

**March 12: Executive Committee**

**~March 25 – April 1: Advertisement of Public Hearing RE: Charter Bylaw**

**~May 31: End of 60-Day Period to File a Petition RE: Charter Bylaw**

**June 4: Public Hearing Meeting of Council**

# Recommendations

That the Executive Committee:

1. Direct Administration to:

- a. Forward Report EC2024-0105 to the 2024 June 4 Public Hearing Meeting of Council;  
and
- b. Publish a notice of the 2024 June 4 Public Hearing of the Proposed Charter Bylaw under Report EC2024-0105 in two issues of a newspaper, with each issue being in consecutive weeks and no later than 2024 April 4; and

2. Recommend that Council:

- a. Give three readings to the Proposed Charter Bylaw (Attachment 2) to amend Charter Bylaw 1H2018 to delegated authority to Administration to cancel, reduce, refund or defer taxes up to \$500,000 per taxation year in accordance with an approved Council Policy;  
and
- b. Adopt the proposed Council Policy on “Tax Relief Delegated to Administration” (Attachment 3), should the proposed Charter Bylaw be fully approved by Council.