

2017 SUPPLEMENTARY PROPERTY ASSESSMENT AND TAX BYLAWS

EXECUTIVE SUMMARY

Council approval is required to authorize the 2017 Supplementary Property Assessment and Supplementary Property Tax Bylaws.

ADMINISTRATION RECOMMENDATION(S)

That Council give three readings to the 2017 Supplementary Property Assessment and Supplementary Property Tax Bylaws.

PREVIOUS COUNCIL DIRECTION / POLICY

Council has passed similar bylaws each year authorizing the preparation and taxation of supplementary property assessments, most recently through the 2016 Supplementary Property Assessment Bylaw 13M2016 and 2016 Supplementary Property Tax Bylaw 14M2016.

Council's Action Plan Mid-Cycle Adjustments budget, approved in C2016-0863, included supplementary property taxes as a source of municipal revenue.

BACKGROUND

Property assessments are used as the basis for The City of Calgary's municipal and provincial property taxes. The *Municipal Government Act* (MGA) requires that each individual property assessment reflect the property's value as July 01 and the characteristics and physical condition of the property on December 31 of the year before the property tax is imposed. The property assessments are mailed early in January of the tax year.

In circumstances where the construction of an improvement to a property is completed or the improvement is occupied in the current tax year, a supplementary assessment is prepared to record the increase in value. Supplementary property assessments are also prepared for manufactured/mobile homes that are moved into Calgary in the current tax year. The supplementary assessed value is pro-rated to reflect the number of months during which the improvement is completed or occupied or, in the case of a manufactured home, is in Calgary.

Section 313 of the MGA provides Council with the authority to pass a Supplementary Property Assessment Bylaw and direct Administration to prepare and issue supplementary property assessments. The bylaw applies to the year in which it is passed and only if it is passed before May 01 of the same year.

If Council passes the Supplementary Property Assessment Bylaw, a Supplementary Property Tax Bylaw must also be passed in the same year under the authority of section 369 of the MGA. The tax rates imposed on supplementary assessments will be the same as the tax rates set out in the Property Tax Bylaw that is expected to be passed by Council later this spring.

The attached 2017 Supplementary Property Assessment and Supplementary Property Tax Bylaws are very similar to the Bylaws presented to Council in 2016 with changes to reflect the 2017 dates.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

Supplementary property taxes were included as a revenue source in Council's Action Plan Mid-Cycle Adjustments. If Council chooses not to support the recommendation, this revenue will not be available.

Stakeholder Engagement, Research and Communication

The annual process for preparing the 2017 Supplementary Property Assessment and Supplementary Property Tax Bylaws report includes staff members from the Finance, Law and Assessment business units.

Strategic Alignment

The recommendation is in alignment with the direction in Council's Action Plan Mid-Cycle Adjustments.

Social, Environmental, Economic (External)

Social

No implications were identified

Environmental

No implications were identified

Economic (External)

The Supplementary Property Assessment and the Supplementary Property Tax Bylaws authorize The City to assess and tax properties within the current taxation year. Passing the bylaws is consistent with The City of Calgary's municipal tax policies in 2017 and prior years, as well as Council's Action Plan Mid-Cycle Adjustments.

Financial Capacity

Current and Future Operating Budget:

Supplementary tax revenues are a source of funding for current operating fiscal plans. For 2017, the budget amount is \$5.3 million in municipal supplementary property tax revenues.

Current and Future Capital Budget:

Supplementary tax revenues are a source of funding for current capital fiscal plans.

Risk Assessment

If the 2017 Supplementary Property Assessment and Supplementary Property Tax Bylaws are not passed, there would be a significant loss of revenue available to The City.

REASON(S) FOR RECOMMENDATION(S):

The 2017 Supplementary Property Assessment and Supplementary Property Tax Bylaws provide The City with the authority to prepare 2017 supplementary property assessments in order to levy 2017 supplementary property taxes. Council's Action Plan Mid-Cycle Adjustments budget included supplementary property taxes as a source of municipal revenue.

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ATTACHMENT(S)

1. 2017 Supplementary Property Assessment Bylaw
2. 2017 Supplementary Property Tax Bylaw