

Chief Financial Officer's Report to
Priorities and Finance Committee
2021 February 16

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PFC2021-0059
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2021 Supplementary Property Assessment and Tax Bylaw

RECOMMENDATION(S):

That the Priorities and Finance Committee recommends that Council:

1. Give three readings to the proposed 2021 Supplementary Property Assessment Bylaw and 2021 Supplementary Property Tax Bylaw (Attachments 2 and 3) which will remain in force until repealed; and
2. Forward this report and attachments to the 2021 March 01 Combined Meeting of Council.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, 2021 FEBRUARY 16:

That Council:

Give three readings to **Proposed Bylaw 9M2021** (2021 Supplementary Property Assessment Bylaw, Attachment 2) and **Proposed Bylaw 10M2021** (2021 Supplementary Property Tax Bylaw Attachment 3) which will remain in force until repealed.

HIGHLIGHTS

- Passing the proposed bylaws will allow The City to prepare supplementary property assessments and impose supplementary property tax.
- What does this mean to Calgarians? It ensures that properties with improvements under construction, which are completed or occupied within the tax year, as well as designated manufactured homes moved into The City within the tax year, pay their share of property taxes.
- Why does this matter? Not only does it provide for fairness in the property tax system, but the revenue from supplementary property taxes are included in Council's approved One Calgary 2019-2022 Service Plans and Budgets to help facilitate the continued provision of services to Calgary's citizens.
- The supplementary assessment and tax program is to be administered in the same manner as tax year 2020.
- The 2021 Supplementary Property Assessment Bylaw must be passed prior to 2021 May 01.
- Recent revisions to the Municipal Government Act (MGA) allow Council to make both the supplementary assessment and tax bylaws to be continuous until repealed.
- Administration therefore recommends that Council make the proposed bylaws continuous to enhance administrative efficiency.
- Strategic Alignment to Council's Citizen Priorities: A well-run city
- Background and Previous Council Direction is included as Attachment 1.

2021 Supplementary Property Assessment and Tax Bylaw

DISCUSSION

In order to prepare supplementary assessments, Council must pass a bylaw to authorize such action.¹ Council must also pass a concurrent bylaw authorizing it to impose supplementary property tax.² The tax rates imposed on supplementary assessments will be the same as the tax rates set out in the 2021 Property Tax Bylaw that is expected to be passed by Council later this spring. The legislative authority for supplementary assessment and tax bylaws is discussed further in Attachment 1. Recent revisions to the MGA allow Council to make both the supplementary assessment and tax bylaws to be continuous until repealed.³ Prior to these revisions Council was obliged to pass both bylaws on an annual basis. Administration recommends that Council take advantage of this new ability and make the bylaws continuous as this would foster administrative efficiency. The supplementary assessment and property tax program has been administered by The City since 1995 with few changes made to the bylaws at issue within the past 10 years and no changes to the bylaws are expected in the foreseeable future.

The proposed 2021 Supplementary Property Assessment Bylaw can be found in Attachment 2, and the proposed 2021 Supplementary Property Tax Bylaw can be found in Attachment 3.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- ☐ Public Engagement was undertaken
- ☒ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☐ Stakeholder or customer dialogue/relations were undertaken

The annual process for preparing the 2021 Supplementary Property Assessment and Supplementary Property Tax Bylaws report includes staff members from the Finance, Law and Assessment business units.

IMPLICATIONS

Social

There are no social implications anticipated in association with implementing these recommendations.

Environmental

There are no environmental implications anticipated in association with implementing these recommendations.

¹ *Ibid* at s. 313.

² *Ibid* at s. 369(1).

³ *Supra* note 1.

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Economic

The Supplementary Property Assessment Bylaw and the Supplementary Property Tax Bylaw 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 direction in 2020 and prior years.

Supplementary property taxes for municipally assessed properties are included as a revenue source in Council's approved One Calgary 2019-2022 Service Plans and Budgets. Absent the above mentioned Bylaws, this revenue will not be available.

Service and Financial Implications

Other:

Supplementary tax revenues are a source of funding for current and future operating fiscal plans. For 2021, the estimated budget amount is \$8.2 million in municipal supplementary property tax revenues.

RISK

The Supplementary Assessment Bylaw must be passed prior to 2021 May 01 in order to apply to 2021.⁴ If it is passed after this deadline, the stream of revenue from supplementary property tax will not be available for tax year 2021.

There are no other significant risks associated with this report.

ATTACHMENT(S)

1. Attachment 1 - Previous Council Direction, Background
2. **Proposed Bylaw 9M2021**
3. **Proposed Bylaw 10M2021**

Department Circulation

General Manager	Department	Approve/Consult/Inform
CFO Carla Male	Chief Financial Officer's Department	Approve
City Solicitor Jill Floen	Law	Inform

⁴ *Ibid* at s. 313(3) of the MGA.