

Background

Council has passed similar bylaws since 1995 authorizing the preparation and taxation of supplementary property assessments, permitting the collection of tax revenue on properties that have completed construction, for example.

Context

Supplementary Property Assessments

Individual residential and non-residential property assessments, as well as machinery and equipment assessments in annexed areas, are prepared by The City of Calgary's Municipal Assessor the year before the property tax is imposed and reflect the property's market value as of July 01 and the characteristics and physical condition of the property on December 31.

During the tax year, under the direction of a Council Bylaw, the Municipal Assessor prepares supplementary assessments where there is an increase in property value due to completed construction, the occupation of an improvement made to a property, or when a manufactured/mobile home is moved into Calgary after December 31 of the prior year. The value of a supplementary assessment 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, how long it has been located in Calgary.

A summary of property tax revenue generated through supplementary assessments over the past three years has been provided in Table 1, below.

Table 1. Previous Years Supplementary Assessment Revenue

Year	Budgeted Municipal Property Tax Revenue	Actual Municipal Property Tax Revenue
2018	\$ 8,200,000	\$ 6,700,000
2019	\$ 9,200,000	\$ 9,200,000
2020	\$ 8,800,000	\$ 7,900,000*

*As of January 10, 2021

Supplementary Assessment and Tax Bylaws

Section 313 of the *Municipal Government Act*¹ (MGA) provides Council with the authority to pass a Supplementary Property Assessment Bylaw for municipally assessed property types and to direct the Municipal Assessor 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.

Once 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.

Additions to the MGA

¹ *Municipal Government Act*, RSA 2000, c M-26.
PFC2021-0059 Attachment 1

Bill 25, also known as the *Red Tape Reduction Implementation Act*,² came into force on December 5, 2019. Among other things, Bill 25 modified the MGA allowing Council to choose to make certain bylaws continuous until repealed.

Respecting supplementary assessments and supplementary tax bylaws, the relevant additions to the MGA are sections 325.1 and 369.1, respectively:

“325.1 Bylaws enacted under section 297 or 313 remain in force after the year in which they are enacted and apply in respect of subsequent years until they are repealed.”³

“369.1 Bylaws enacted under section 369(1), 371 or 379 remain in force after the year in which they are enacted and apply in respect of subsequent years until they are repealed.”⁴

In light of the above, it is recommended that The City make both of the proposed bylaws continuous to promote administrative efficiency as the bylaws are virtually identical year over year, with the exception of the dates referenced therein.

Previous Council Direction

Council has passed similar bylaws since 1995 authorizing the preparation and taxation of supplementary property assessments. Furthermore, revenue from supplementary property taxes are included in Council's approved One Calgary 2019-2022 Service Plans and Budgets.

Timeline

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2019 February 12	PFC2019-0027	2019 Supplementary Property Assessment and Tax Bylaws Report
2020 February 11	PFC2020-0010	2020 Supplementary Property Assessment and Tax Bylaws Report

Bylaws, Regulations, Council Policies

The following legislation informs supplementary assessment and property tax:

Municipal Government Act, RSA 2000 c M-26

² Bill 25, *Red Tape Reduction Implementation Act*, 1st Sess, 30th Leg, Alberta, 2019.
<https://docs.assembly.ab.ca/LADDAR_files/docs/bills/bill/legislature_30/session_1/20190521_bill-025.pdf>.

³ *Supra* note 1 at s. 325.1 [emphasis added].

⁴ *Ibid* at s. 369.1 [emphasis added].