

# Background

This report is a combined response to Council direction to examine tax deferral options under section 347 of the *Municipal Government Act* for properties and businesses impacted by COVID pandemic restrictions, and to complete the response to Council's direction on 2021 March 1 to provide further options to support businesses in Calgary as they navigate challenges resulting from the COVID-19 pandemic.

## Context

As part of the discussion about the 2021 Non-Residential Phased Tax Program Report on 2021 March 1, Council directed Administration, through the COFLEX program and with input from the Business Advisory Committee, to develop options to deploy \$30 million (\$8 million from the originally approved 2021 property tax rebate and \$22 million from the Fiscal Stability Reserve) for directed relief to businesses impacted by COVID-19. On 2021 March 22, Council provided Administration with the one-time authority to waive up to \$17.6 million in business license and related fees for new and renewing businesses for a period of two years, starting on 2021 March 17.

Additionally, on 2021 April 12, Council requested that Administration examine options available under section 347 of the *Municipal Government Act* to support properties and businesses significantly impacted by restrictions associated with the COVID pandemic.

## Previous Council Direction

On 2021 March 22, Council amended and adopted the recommendation in report C2021-0422:

That Council:

1. Provide Administration with the one-time authority to waive up to \$17.6 million in business license and related fees for new and renewing businesses for a period of two years, starting on 2021 March 17.
2. Direct Administration to work with the Business Sector Task Force, and return outlining further relief options with remaining funds, estimated to be \$12.4 million.

On 2021, April 12, Council adopted the following Motion Arising with respect to Report C2021—0578:

Direct administration to evaluate the use of tax deferral powers under section 347 of the *Municipal Government Act* for categories of businesses, and non-profits not covered under Community Organization Property Tax Exemption Regulation, that have been significantly impaired by the COVID epidemic, for example hotels, nightclubs, and fitness facilities, returning with option to the Priorities and Finance Committee at its next meeting.

This report was later deferred to return in 2021 May.

**Table Timeline**

<b>DATE</b>	<b>REPORT NUMBER</b>	<b>DIRECTION/DESCRIPTION</b>
4/12/2021	C2021-0578	Financial Relief for Taxpayers
3/22/2021	C2021-0422	Options for Targeted Relief to Businesses Impacted by COVID-19
03/01/2021	C2020-0885	2021 Non-Residential Phased Tax Program Report

## Bylaws, Regulations, Council Policies

The following bylaws and policies inform property tax penalties.

*Municipal Government Act of Alberta*

City of Calgary Bylaw Number 8M2002 A Bylaw of The City of Calgary to Fix the Penalty on Unpaid Taxes

City of Calgary Bylaw Number 9M2002 A Bylaw of The City of Calgary for the Implementation of the Tax Instalment Payment Plan