

## **Attachment 2**

### **Proposed Terms and Conditions of a Hotel/Motel Property Tax Deferral Program**

Administration is proposing the development of a property tax deferral program for hotels and motels. Under this program, the payment of 2021 property tax would be deferred, without penalties, until 2022 December 31. To qualify, properties would be required to meet certain terms and criteria, including:

- The property must be taxable;
- The property must be classed as non-residential;
- A minimum of 50% of the improved area of the property must be currently occupied by a hotel or motel business and in operation since at least 2020 December 31;
- Property tax deferrals are administered to the property owner or the assessed person;
- Property tax from 2020 must have been paid in full.

Administration may consider other criteria or the terms and conditions, to ensure that the program is as flexible, nimble, and efficient as possible for all parties. Other potential considerations that will inform the development of the program include:

- This program is not intended for properties on the Tax Instalment Payment Plan or for those properties that pay principal, interest and taxes to a mortgage company/bank;
- Property tax already paid are not eligible for a refund;
- If the property is sold, tax relief will be automatically cancelled.

Because this program will apply to a small number of known accounts, Administration is proposing a proactive and targeted approach to communication with these property owners. In addition, it is anticipated that information on the program will be available on [calgary.ca](http://calgary.ca) when finalized.

Administration will determine eligibility and apply the deferral to qualifying properties automatically without the need for an application. The deferral will be communicated to qualifying property owners and associated industry groups. Once all deferrals have been identified and processed, Administration will bring a report to Council identifying eligible properties by roll number and seeking approval to defer the property tax, without penalty, to 2022 December 31.