

**Chief Financial Officer's Report to
Combined Meeting of Council
2021 July 26**

**ISC: UNRESTRICTED
C2021-0939
Page 1 of 4**

Hailstorm Property Tax Relief – Report Back

RECOMMENDATION(S):

That Council approve the list of qualifying properties contained on Attachment 2 for a property tax deferral to 2021 December 31, without penalty, under the Hailstorm Property Tax Relief Program.

HIGHLIGHTS

- The hailstorm of 2020 June 13 had a devastating impact on many Calgary communities, causing substantial damage to homes, automobiles and businesses. For some Calgarians this event, in combination with the impacts of the pandemic, created or increased financial challenges. Offering property tax relief through a deferral supports those who have faced financial challenges created by an extreme weather event in a difficult year.
- What does this mean to Calgarians? Offering a property tax deferral program to Calgarians impacted by the hailstorm will ensure that relief is available to those property owners facing financial challenges associated with this extreme weather event.
- Why does it matter? It is important in these unprecedented times that supports are available to property owners facing financial challenges.
- Strategic Alignment to Council's Citizen Priorities: A prosperous city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

On 2020 June 13, parts of Calgary suffered severe property damage due to an intense hail and rain storm. This storm was one of the costliest natural disasters in Canadian history. It also occurred at a time when the pandemic was creating personal and financial uncertainty for many Calgarians, and creating supply chain disruptions which hampered efforts to recover after the storm.

In recognition of the hardship that events of 2020 created for many Calgarians, Council directed Administration to allow residents impacted by the hailstorm to apply to The City to be considered for a deferral of 2020 or 2021 property tax, without penalty, if they anticipated difficulty in paying their property tax.

In developing a relief program to support those impacted by the hailstorm, Administration drew on prior experience in developing the Compassionate Property Tax Penalty Relief Program. This is a principles based program that provides property tax penalty relief to property owners facing a significant life issue that impacts their ability to pay their property tax by the payment deadline.

Key principles that inform the Compassionate Property Tax Penalty Relief program, and which were applied to the development of the Hailstorm Relief Program include:

- Provide a simple, streamlined intake process
- Be administratively efficient – utilize existing resources
- Rely on evidence presented as the basis for decisions – require minimal documentation.

Hailstorm Property Tax Relief - Report Back

In response to Council's direction, which was provided on 2020 November 02, Administration had a fully developed program, including an online application portal and application form, terms and conditions, and a frequently asked questions document available on The City's external website, www.calgary.ca, on 2020 November 26. This rapid execution was enabled by leveraging expertise that exists within our team in the Taxation Service and our partners in Communications, Finance, Law, and Information Technology.

The program remained open for applications from 2020 November 26 to 2021 March 31. In that time, a total of 86 applications were received. They can be further broken down as follows:

- 56 applications which met the terms and conditions of the program;
- 2 applications which did not meet the terms and conditions of the program; and
- 28 applications which were subsequently withdrawn by the applicant.

Program applicants were able to request a deferral of their 2020 property tax or their 2021 property tax based on their individual circumstances. The distribution of the 56 qualified applicants, and the impacts of the deferral associated with their applications under the Hailstorm Relief Program, is as follows:

Tax year	Number of properties	Value of taxes deferred
2020	26	\$77,445.20
2021	30	\$100,882.24
Total	56	\$178,327.44

For the two applications that did not meet the terms and conditions of the program, one application was for a property that was not impacted by the hailstorm, and the other was for a property that was not the primary residence of the applicant. The majority of the 28 applicants who withdrew from applying for the program did so because they were already enrolled in The City's Tax Instalment Payment Plan. This Plan allows participants to continue to make payments towards their property tax with shelter from late payment penalties.

Discussions with property owners who applied for the program revealed that they were largely appreciative for the opportunity to defer their property tax. While the total amount of tax deferred and penalties avoided is small when compared against total City operations, the positive impact of the program to individual property owners was significant.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

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

A number of approaches were taken to promote awareness of this program, including:

Hailstorm Property Tax Relief - Report Back

- The creation of a webpage and short url (www.calgary.ca/taxrelief) to allow property owners to access relevant information;
- The City submitted content on the program to the newsletter server. This is where Community Associations can go to pull content for their newsletters;
- The City connected with Community Association administrative staff and leaders asking them to put information on their community Facebook pages for impacted neighbourhoods; and
- Shared messaging on the program with Neighbourhood Partnership Coordinators in Calgary Neighbourhoods to cascade information to impacted communities.

The intent of these tactics was to be as targeted as possible and work within the constraints of a limited budget. All of these tactics are believed to have contributed to increased awareness of the program and helped to drive increased applications.

IMPLICATIONS

Social

The relief option outlined in this report supports the Social Wellbeing Policy principle of equity. Remaining responsive to the needs of property owners through unprecedented times is a critical social consideration. Calgary property owners impacted by the devastating hailstorm of 2020 June 13 were able to apply for a deferral of property tax to provide them with indirect financial support.

Environmental

There are no direct environmental impacts associated with the implementation of the recommendations in this report.

Economic

Enabling indirect financial support to those facing challenges from the hailstorm will further facilitate their participation in the local economy.

Service and Financial Implications

Existing operating funding - base

Include actual figure

Service and Financial Implications

The relief option in this report is estimated to cost The City approximately \$17,000 in foregone penalty revenue. This represents the amount of penalty revenue that would have been charged to these accounts if the property tax had remained outstanding to 2021 December 31, and without the support of a Council approved property tax deferral.

All work performed to support this initiative was accomplished using existing resources and within existing budgets. Some reprioritization of existing work was required to accommodate the timelines associated with this initiative.

**Chief Financial Officer's Report to
Combined Meeting of Council
2021 July 26**

**ISC: UNRESTRICTED
C2021-0939
Page 4 of 4**

Hailstorm Property Tax Relief - Report Back

RISK

Council has the authority to cancel, reduce, refund or defer taxes under Section 347(1) of the *Municipal Government Act* for a taxable property or class of taxable property, if it considers it equitable to do so. Council's exercise of this authority in this situation has been reviewed by Law and is considered to be consistent with the provisions of the *Municipal Government Act*.

ATTACHMENT(S)

1. Attachment 1 - Previous Council Direction, Background
2. Attachment 2 - List of qualifying properties – for approval

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Carla Male, Chief Financial Officer	Chief Financial Officer's	Approve
Les Tochor, Director Finance/City Treasurer	Chief Financial Officer's	Approve