

EC2022-0504

Tax Relief Options for Residential Properties Impacted by
Annexation Order 333/2007

2022 April 19



Summary

- 680 properties were annexed from Rocky View County into the City of Calgary in 2007
- The terms of the annexation order included a 15-year tax transition which expired at the end of 2021
- 466 properties will transition from Rocky View County tax rates to City of Calgary's tax rates in 2022
- Council cannot extend the terms of an annexation order but can cancel or defer taxes for particular properties if it considers it equitable to do so
- 201 properties may be eligible for cancellation or deferral based on the Notice of Motion



Options and Associated Risks

Tax Relief Options	Total Estimated Cost to City	Risks and Considerations
1: Tax deferrals	\$25,000	<ul style="list-style-type: none"> ▪ Criteria may be subject to legal challenges or perceived inequitable treatment
2a: One-time cancellation of 50% of the municipal tax differential	\$225,000	<ul style="list-style-type: none"> ▪ May set precedent/create expectations for future annexation orders ▪ Utilities are not tax supported services
2b: Multi-year approach to support transition	\$650,000	<ul style="list-style-type: none"> ▪ Property tax is based on property value rather than consumption ▪ Operational costs to administer



Recommendations

That the Executive Committee recommend that Council receive this report for information and discussion.