

## PROPERTY TAX RELIEF PROGRAM

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### EXECUTIVE SUMMARY

Council approval is required to cancel the applicable 2013, 2014, and 2015 property taxes for properties that were affected by the 2013 June flood and meet the criteria set out in the Property Tax Relief Program.

### ADMINISTRATION RECOMMENDATION(S)

That Council under the authority of section 347 of the *Municipal Government Act* cancel the 2013 property taxes for the amounts listed in the Attachment 1 and the 2014 property taxes for the amounts listed in the Attachment 2.

### PREVIOUS COUNCIL DIRECTION / POLICY

On 2014 January 27, Council adopted the following verbal report, Southern Alberta Flood Program Tax Relief (Verbal), VR2014-0019:

“That Council direct Administration to pursue options for tax relief for flood impacted residents and businesses including but not limited to the Alberta Government's Southern Alberta Flood Response Program and to return to the Priorities and Finance Committee no later than 2014 February.”

On 2014 February 24, Council approved PFC2014-0154, Southern Alberta Flood Response Program - Property Tax Relief, for rolling out the Property Tax Relief Program in Calgary.

On 2014 April 28, Council approved C2014-0334, Property Tax Relief Program, cancelling 2013 property taxes on 428 properties totalling \$1,563,758.50.

On 2014 July 28, Council approved C2014-0602, Property Tax Relief Program, cancelling 2013 property taxes on 111 properties and 2014 property taxes on 80 properties totalling \$529,947.43.

On 2014 December 15, Council approved C2014-0965, Property Tax Relief Program, cancelling 2013 property taxes on 13 properties and 2014 property taxes on 56 properties totalling \$325,725.47.

### BACKGROUND

The Government of Alberta announced in 2013 fall, as part of the Southern Alberta Flood Response Program, that it would provide municipalities with property tax relief funding. This is to offset lost revenues resulting from municipal councils deciding to cancel property tax for property owners who have lost the use of their residential and non-residential properties either permanently or for a prolonged period due to the flood.

Council approved the roll out of the Property Tax Relief Program in Calgary in 2014 February. This program provides property tax relief (2013, 2014 and 2015) to those property owners, residential and non-residential, for the period that the properties are deemed uninhabitable. Administration developed the Property Tax Relief Program based on criteria approved by

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Council and a process to provide multi-facets for property owners affected by the flood to obtain information and to apply for the cancellation of their applicable property taxes. The program information and application form were available online ([www.calgary.ca/taxrelief](http://www.calgary.ca/taxrelief)), by calling 311 or at the Tax Advisory Services counter in the Municipal Building. Property owners can apply online via a secured web site created for this program, mail, fax or deliver to the Tax Advisory Services counter. A news release was issued by The City when the program was launched 2014 March 03.

Administration also mailed out a letter along with the application form to 3,200 properties that The City was aware of that may have been affected by the 2013 June flood. In addition, Administration had representatives at the flood relief information sessions organized by the Alberta Municipal Affairs and the Recovery Operations to answer questions relating to the Property Tax Relief Program.

On 2014 April 28, Council approved the cancellation of the applicable 2013 property taxes for the 428 properties in the amount of \$1,563,758.50. The City applied to the Province for reimbursement, application was approved and the monies were received.

On 2014 July 28, Council approved the cancellation of applicable 2013 and 2014 property taxes for 111 and 80 properties respectively in the amount of \$529,947.43. The City applied to the Province for reimbursement, the application was approved and the monies were received.

On 2014 December 15, Council approved the cancellation of applicable 2013 and 2014 property taxes for 13 and 56 properties respectively in the amount of \$325,725.47. The City applied to the Province for reimbursement, the application was approved and the monies were received.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

After the mailing of the general property tax bills in 2015 May, Administration revised the property tax relief information and application form on The City website ([www.calgary.ca/taxrelief](http://www.calgary.ca/taxrelief)) to start the 2015 application process.

Administration received and processed 4 2013 applications, 17 2014 applications and 22 2015 applications at the time this report was prepared. There are 4 2013 applications and 17 2014 applications that meet the approved criteria and summarized in Attachment 1 (2013) and Attachment 2 (2014) for Council's approval. If Council approves the cancellation, Administration will prepare an application along with Council's resolution to request the Government of Alberta to reimburse The City.

As of 2015 June 01, there are 22 property owners that have not reoccupied their properties. Their 2015 applications have not been included in this report as the property owners have not returned to their properties at the time of this report. These 2015 applications will be processed and included in the 2015 December report to Council.

### **Stakeholder Engagement, Research and Communication**

A communication plan was developed to create citizen awareness through news release, targeted mailing, dedicated webpage and participation in available flood information sessions.

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### **Strategic Alignment**

The recommendation is in alignment with the direction from Council to provide necessary support to property owners that were impacted by the 2013 June flood.

### **Social, Environmental, Economic (External)**

The Property Tax Relief Program provides financial support to property owners whose properties were severely damaged by the flood.

### **Financial Capacity**

#### **Current and Future Operating Budget:**

All property taxes cancelled by Council pursuant to Section 347 of the Municipal Government Act are to be charged to Program 856 (Taxation). However, Administration is expected to recover the cancellations through the Southern Alberta Flood Response Program from the Government of Alberta. The 2013 property tax cancellations (\$4,678.50) and 2014 property tax cancellations (\$103,059.35) total \$107,737.85. The enhancements to the Property Tax Relief Program by The City will not be recoverable from the Province which will be absorbed within Program 856. The non-recoverable amounts are \$294.47 on reversal of penalties and \$16.29 in interest payments.

#### **Current and Future Capital Budget:**

There are no implications on the Capital Budget.

### **Risk Assessment**

There is a risk that the property taxes cancelled by Council may not be fully recovered from the Province. However, Administration will ensure all applications and documents are verified to meet the requirements of the Government of Alberta before making recommendations to Council to minimize the risk.

#### **REASON(S) FOR RECOMMENDATION(S):**

Administration has reviewed and assessed the applications from the property owners whose properties are affected by the 2013 June flood and meet the criteria approved by Council under the Property Tax Relief Program. Administration is recommending Council to cancel the 2013 property taxes in the Attachment 1, and the 2014 property taxes in the Attachment 2 to provide tax relief to qualified property owners. Administration will follow-up with the Government of Alberta to pursue the reimbursement through the Southern Alberta Flood Response Program.

#### **ATTACHMENT(S)**

1. 2013 Property Tax Relief Program Tax Cancellations
2. 2014 Property Tax Relief Program Tax Cancellations