

2015 SUPPLEMENTARY PROPERTY ASSESSMENT AND TAX BYLAWS

EXECUTIVE SUMMARY

Council approval is required to authorize the 2015 Supplementary Property Assessment and Supplementary Property Tax Bylaws.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommends that Council give three readings to the 2015 Supplementary Property Assessment and Supplementary Property Tax Bylaws.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2015 FEBRUARY 03:

That Council give three readings to the **proposed Bylaw 10M2015**, 2015 Supplementary Property Assessment Bylaw and **proposed Bylaw 11M2015**, Supplementary Property Tax Bylaw.

PREVIOUS COUNCIL DIRECTION / POLICY

Council has passed similar bylaws each year authorizing the preparation and taxation of supplementary property assessments, most recently through the 2014 Supplementary Property Assessment Bylaw 10M2014 and 2014 Supplementary Property Tax Bylaw 11M2014.

Supplementary property taxes are included in the tax revenues established as part of the four year Action Plan 2015-2018 and budget cycle as approved in report PFC2014-0064.

BACKGROUND

Property assessments are used as the basis for The City of Calgary's municipal and provincial property taxes. The *Municipal Government Act* (MGA) requires that each individual property assessment reflect the property's value as of the July 01 market value date and the characteristics and physical condition of the property on December 31 of the year before the property tax is imposed. The property assessments are mailed early in January of the tax year.

In circumstances where the construction of an improvement to a property is completed or the improvement is occupied in the current tax year, a supplementary assessment is prepared to record the increase in value. Supplementary property assessments are also prepared for manufactured/mobile homes that are moved into Calgary in the current tax year. The supplementary assessed value is pro-rated to reflect the number of months during which the improvement is completed and/or occupied, or in the case of a manufactured home, is in Calgary.

Section 313 of the MGA provides Council with the authority to pass a Supplementary Property Assessment Bylaw and direct Administration to prepare and issue supplementary property assessments. The bylaw applies to the year in which it is passed and only if it is passed before May 01 of the same year.

If Council passes the Supplementary Property Assessment Bylaw, a Supplementary Property Tax Bylaw must also be passed in the same year; section 369 of the MGA provides Council the

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authority to do so. The tax rates imposed on supplementary assessments will be the same as the tax rates set out in the Property Tax Bylaw that is expected to be passed by Council in spring 2015.

The proposed 2015 Supplementary Property Assessment and Supplementary Property Tax Bylaws are very similar to the Bylaws presented to Council in 2014 with changes to reflect the 2015 dates. The only notable change from 2014 is the removal of references to linear property from both the preamble and the definitions section of the Supplementary Property Assessment Bylaw. Section 313(4) of the MGA already prevents The City of Calgary from enacting a supplementary assessment bylaw authorizing assessments for linear property, and therefore makes such references in the bylaw unnecessary.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Supplementary property taxes were included as a revenue source in Action Plan 2015-2018 and budget that Council approved. If Council chooses not to support the recommendation, this revenue will not be available.

Stakeholder Engagement, Research and Communication

The annual process for preparing the 2015 Supplementary Property Assessment and Supplementary Property Tax Bylaws report includes staff members from the Finance and Supply, Law and Assessment business units.

Strategic Alignment

The recommendation is in alignment with the direction in Action Plan 2015-2018 and the proposed 2015 business plans and budgets.

Social, Environmental, Economic (External)

Social

No implications were identified

Environmental

No implications were identified

Economic (External)

The Supplementary Property Assessment and the Supplementary Property Tax Bylaws authorize The City to assess and tax properties within the current taxation year. Passing the bylaws is consistent with The City of Calgary's municipal tax policies in 2014 and prior years, as well as the 2015 business plans and budgets.

Financial Capacity

Current and Future Operating Budget:

Supplementary tax revenues are a source of funding for current operating fiscal plans. For 2015, the budget amount is \$5.5 million in municipal supplementary property tax revenues.

Current and Future Capital Budget:

Supplementary tax revenues are a source of funding for current capital fiscal plans.

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Risk Assessment

If the 2015 Supplementary Property Assessment and Supplementary Property Tax Bylaws are not passed, there would be a resulting significant loss of revenue available to The City.

REASON(S) FOR RECOMMENDATION(S):

The 2015 Supplementary Property Assessment and Supplementary Property Tax Bylaws provide The City with the authority to prepare 2015 supplementary property assessments in order to levy 2015 supplementary property taxes. Council's 2015 business plans and budgets incorporate the anticipated revenue from the supplementary property taxes.

ATTACHMENT(S)

- 1. Proposed Bylaw 10M2015, 2015 Supplementary Property Assessment Bylaw**
- 2. Proposed Bylaw 11M2015, 2015 Supplementary Property Tax Bylaw**