

### Summary of Existing Tools for Property Tax Relief

Property Tax Policy Tool	Description	Best Use	Considerations	Examples
Cancellations/Refunds	Under section 347 of the MGA, Council, if it considers it equitable to do so, it may generally or with respect to a particular taxable property or class of properties, cancel or refund all or part of a tax or may cancel or reduce tax arrears.	Cancellations and refunds are a good tool to provide one-time or short-term tax relief for individual properties or small groups of properties based on clearly defined criteria.	Council must decide what is equitable and fair.  It is administratively inefficient to administer cancellations/refunds, especially on a large scale.	Tax cancellations and refunds generally must be decided by Council annually on a case-by-case basis.  Council has delegated authority to Administration for a Compassionate Property Tax Penalty Relief Program
Deferrals	Under section 347 of the MGA, Council, if it considers it equitable to do so, it may generally or with respect to a particular taxable property or class of properties, defer the collection of a tax. Deferrals enable property owners to delay paying property taxes until a date in the future. Council may also use section 347 to cancel or reduce tax arrears.  Sections 364.1 and 364.2 of the MGA also provide Council with the ability to pass a bylaw to provide deferrals to brownfield (contaminated, vacant,	Property tax deferrals can provide immediate, short-term relief to property owners who are experiencing unexpected cash flow challenges and will be able to pay their tax bills at a defined later date.	Council must decide what is equitable and fair.  Deferrals do not cancel tax responsibility – property owners must pay by a prescribed deadline.  Deferrals should not be used to address any systemic or ongoing cash flow problems experienced by individual property owners or group of properties.  It is administratively inefficient to administer deferrals unless it is applied to all properties because individual accounts require	Alberta Seniors Property Tax Deferral Program (this is a provincial program)  2021 and 2022 Hotel/Motel Property Tax Deferral Program  2020 Pandemic Property Tax Deferral  2020 and 2021 Deferral for Hailstorm Affected Properties

	derelict or under-utilized parcels) properties to encourage development or redevelopment or non-residential properties for up to 15 years to encourage development or revitalization.		monitoring and manual adjustments.	
Exemptions	<p>Property tax exemptions are governed by provincial legislation and administered by City staff.</p> <p>Under section 364 of the MGA, Council may pass a bylaw to exempt property held by a non-profit organization that is otherwise taxable.</p> <p>Sections 364.1 and 364.2 of the MGA also provide Council with the ability to pass a bylaw to provide full or partial exemptions to brownfield (contaminated, vacant, derelict or under-utilized parcels) properties to encourage development or redevelopment or non-residential properties for up to 15 years to encourage development or revitalization.</p>	Exemptions effectively provide an operating subsidy to qualifying organizations to incentivize and support activities and property uses that have positive externalities for the municipality.	<p>Bylaws passed in accordance with section 364, 364.1, or 364.2 of the MGA can only exempt an organization from municipal property taxes.</p> <p>Identified gaps in exemption eligibility may warrant advocacy for legislative or regulatory reform to ensure equitable treatment of non-profit organizations across the province and ensure organizations also receive exemptions from provincial property tax.</p> <p>Especially when considering potential incentives for-profit entities, Council should consider a cost-benefit analysis for the proposed subsidy to ensure the investment will achieve the desired outcomes.</p>	<p>Residence Associations in Calgary are exempt by bylaw.</p> <p>Calgary does not currently have any brownfield or development incentives.</p>

<p>Subclasses</p>	<p>Where enabled by legislation, subclasses provide a mechanism for Council to set additional tax rates annually to redistribute tax responsibility within a class (within limits).</p> <p>Under the MGA, <i>City of Calgary Charter</i>, and <i>Matters Related to Assessment Sub-Class Regulation</i>, Council has authority to create residential subclasses and limited types of non-residential subclasses including derelict property, contaminated property, vacant property, and small business property owned or leased by a business with fewer than 50 full-time employees across Canada.</p>	<p>Subclasses can be used to provide medium or long-term tax relief or incentives for clearly defined groups of taxable properties to achieve a public policy objective.</p>	<p>City assessment and tax systems require capital investment and upgrades before any subclass could be implemented.</p> <p>Other properties in a class pay more to subsidize the tax relief or incentives provided to the subclass with the lower tax rate.</p> <p>Subclasses must be established in a bylaw – it is very important to have a clear definition for how a subclass will apply. Previous analysis has shown the small-business subclass would not work in Calgary’s context due to challenges with the definition.</p> <p>Property owners can make complaints to the Assessment Review Board (ARB) if they feel they are in the wrong sub-class (property owners cannot make complaints about the tax rate).</p>	<p>The City of Calgary phased out a multi-residential subclass between 1998-2000.</p>
<p>One-Time Grants</p>	<p>Council can fund grants to provide targeted financial support to defined groups</p>	<p>Grants are a good tool to provide immediate, one-time support. They allow support to be allocated efficiently and directly</p>	<p>Grant funding must come from a budget or reserve.</p> <p>Program design and eligibility criteria are</p>	<p>Fair Entry Property Tax Assistance Program</p>

	of properties based on clear criteria.	outside of the tax system and annual cycle which can mitigate risk and improve program effectiveness (e.g., support can be provided to businesses and households rather than property owners if that better meets the identified need).	important to ensure efficient administration and that funding is directed to those that need it most and to ensure the program will achieve desired objectives.	Business Improvement Area Tax Credit Reopening Grant Program Restrictions Exemption Program Business Support Grant
Phased Tax Programs	Under section 347(2) of the MGA, a council may phase in a tax increase or decrease resulting from the preparation of any new assessment.	Phased tax programs can be used to effectively cap the tax increases that property owners may experience due to a year-over-year change in their assessment.	Phased tax programs must be decided annually and funded from a budget or reserve.  Phased tax programs create a “bow wave” effect where increases in tax responsibility are felt after the phase-in has concluded. These also distort the connection between a property’s assessment value and tax responsibility.	2017-2021 Phased Tax Program (PTP)