



Report Number: EC2023-0457

Meeting: Executive Committee

Meeting Date: 2023 April 18

NOTICE OF MOTION

RE: Compassionate Property Tax Penalty Relief Policy Updates

Sponsoring Councillor(s): Councillor Penner, Mayor Gondek, Councillor Dhaliwal

WHEREAS [Charter Bylaw 1H2018](#) delegates Administration authority to cancel, reduce, or refund property tax penalties up to \$25,000 per tax year for property owners unable to pay their property taxes on time due to a significant life event, through the Dorothy Motherwell Compassionate Property Tax Penalty Relief Program, which was developed and implemented pursuant to [NM2017-30](#), [PFC2018-0325](#), [PFC2018-0761](#) and [PFC2019-1105](#).

WHEREAS the Dorothy Motherwell Compassionate Property Tax Penalty Relief Program was last reviewed in 2019 and recent feedback from Calgarians and Administration indicates potential to update and improve the program through adoption of more inclusive language and expansion of its scope to better reflect and address the circumstances of Calgarians.

WHEREAS section 203(2)(d) of the Alberta *Municipal Government Act* (MGA) as modified by section 4(5) of the *City of Calgary Charter, 2018 Regulation*, AR 40/2018 (the “Charter”) says that Council may by bylaw delegate to Administration the ability to cancel, reduce, refund or defer taxes up to \$500,000 in a taxation year and there is an additional \$475,000 of potential tax relief authority that Council could delegate to Administration to cancel and refund property tax and penalties in certain circumstances.

WHEREAS MGA section 347 requires Council approval to cancel, reduce or refund prior year taxes and Administration historically makes recommendations to Council twice annually for cancellations or refunds for situations where property owners have incurred property tax or penalties in error (bi-annual Assessment & Tax Circumstance Reports to Council). Property owners often wait months for their property tax accounts to be corrected through this process.

WHEREAS the City of Edmonton has fully utilized its delegation authority, enabling Administration to grant retroactive tax cancellations, reductions, and refunds up to \$500,000, pursuant to MGA section 347 and the [Edmonton City Charter Bylaw18652](#), and in accordance with a [Council Policy on Retroactive Municipal Tax Relief](#).

WHEREAS an updated and expanded Charter Bylaw would better utilize a tool in the legislation to cut red-tape, better meet our communities’ needs, and provide more responsive service to Calgarians and property owners who have incurred property tax or penalties in error.

NOW THEREFORE BE IT RESOLVED that Council direct Administration to review and recommend updates to the Dorothy Motherwell Compassionate Property Tax Penalty Relief Program by conducting a jurisdictional scan of existing tax penalty relief programs in large Canadian municipalities and provincial and federal governments to ensure that The City is using best practices in this area.

AND FURTHER BE IT RESOLVED that Council direct Administration to:

- a. Recommend an updated Charter Bylaw and new Council Policy to delegate tax relief authority to Administration to cancel, reduce, refund or defer taxes to:
 - i. Provide compassionate property tax penalty relief in accordance with an updated program; and
 - ii. Correct prior year errors in limited circumstances where property owners incurred property tax or penalties in error (i.e. errors identified within two years after the error occurred, consistent with current practice); and
- b. Create an annual reporting mechanism to ensure compliance with the principles of fairness and equity to taxpayers.

AND FURTHER BE IT RESOLVED that Council direct Administration to report back to Executive Committee in Q1 2024.

Attachment(s):

1. Notice of Motion Checklist