

PROPERTY TAX RELIEF PROGRAM

EXECUTIVE SUMMARY

Council approval is required to cancel the applicable 2013 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 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.

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.

Administration prepared report PFC2014-0154 recommended Council to roll out the Property Tax Relief Program in Calgary based on the criteria set out in the Southern Alberta Flood Response Program. Council approved the criteria (Attachment 1) and directed the Administration to roll out the program. 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. The program is largely based on criteria set out in the Southern Alberta Flood Response Program established by the Government of Alberta but included some enhancements by The City, such as:

- A 30 day grace period after the building is reoccupied has been added in determining the amount of credit on the property taxes. This is to provide additional property tax credits to the property owners as their properties have been severely damaged.
- All 2013 current year penalties charged to the qualified property tax accounts will be credited back to the accounts.
- Interest will also be added to the qualified property tax accounts recognizing the time delay in getting the credits.

PROPERTY TAX RELIEF PROGRAM

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Administration developed the Property Tax Relief Program based on criteria approved by 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 appropriate 2013 property taxes. The program information and application form are available online (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 in 2014 March 3. At the same time, Administration mailed 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. Administration also 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.

Administration received and processed 446 applications as of 2014 April 17 which is the date this report is prepared. There are 428 applications that meet the approved criteria and are summarized in Attachment 2 for Council's approval. If Council approves the cancellation, the Administration will prepare an application along with Council's resolution to request the Government of Alberta to reimburse The City.

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.

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 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 included \$2,903.76 on reversal of current penalties and \$5,392.60 in interest payments.

Current and Future Capital Budget:

There are no implications on the Capital Budget.

PROPERTY TAX RELIEF PROGRAM

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 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. Approved Criteria for the Property Tax Relief Program
2. Property Tax Relief Program Tax Cancellations