

2016 SUPPLEMENTARY PROPERTY ASSESSMENT AND TAX BYLAWS

EXECUTIVE SUMMARY

Council approval is required to authorize the 2016 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 2016 Supplementary Property Assessment and Supplementary Property Tax Bylaws.

PREVIOUS COUNCIL DIRECTION / POLICY

Council has passed similar bylaws each year authorizing the preparation and taxation of supplementary property assessments, most recently through the 2015 Supplementary Property Assessment Bylaw 10M2015 and 2015 Supplementary Property Tax Bylaw 11M2015.

Council's 2016 Resilience Budget included supplementary property taxes as a source of municipal revenue.

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 July 01 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 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 under the authority of section 369 of the MGA. 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 later this spring.

The proposed 2016 Supplementary Property Assessment and Supplementary Property Tax Bylaws are very similar to the Bylaws presented to Council in 2015 with the changes only being made to reflect the 2016 dates.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

Supplementary property taxes were included as a revenue source in Council's 2016 Resilience 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 2016 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 Council's 2016 Resilience Budget.

Social, Environmental, Economic (External)

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 2015 and prior years, as well as the 2016 Resilience Budget.

Financial Capacity

Current and Future Operating Budget:

Supplementary tax revenues are a source of funding for current operating fiscal plans. For 2016, the budget amount is \$4.5 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.

Risk Assessment

If the 2016 Supplementary Property Assessment and Supplementary Property Tax Bylaws are not passed, there would be a significant loss of revenue available to The City.

REASON(S) FOR RECOMMENDATION(S):

The 2016 Supplementary Property Assessment and Supplementary Property Tax Bylaws provide The City with the authority to prepare 2016 supplementary property assessments in order to levy 2016 supplementary property taxes. Council's 2016 Resilience Budget incorporates the anticipated revenue from the supplementary property taxes.

ATTACHMENT(S)

1. Proposed Wording for the 2016 Supplementary Property Assessment Bylaw
2. Proposed Wording for the 2016 Supplementary Property Tax Bylaw