

## Summary and Analysis of Substantive Policy Changes

### Compassionate Relief – Canadian Jurisdictional Scan

#### Summary

While most provinces and municipalities do not offer (or do not have the necessary legislative framework to offer) formal compassionate property tax penalty relief programs, various municipalities have some form of relief, often for circumstances such as financial hardship, destruction of property, and death or serious illness. The scan below includes a summary of findings for municipalities under various legislative frameworks.

#### Scan

Jurisdiction	Summary of Findings	Legislation/Policy
Federal (Canada Revenue Agency)	Interest or penalties may be waived in extraordinary circumstances (disaster, serious illness/accident, serious emotional/mental distress, civil disturbance/disruption) or when due to the actions of the Canada Revenue Agency (CRA). The CRA may also consider financial hardship. Documentation is required to support the request, and taxpayers have a right to request a second review, and then judicial review, if unhappy with the original decision. The CRA considers things such as the taxpayer's history of payments and compliance, exercise of reasonable care, and whether they took quick action to remedy.	Canada – <i>Income Tax Act, RSC 1985, c 1 (5<sup>th</sup> Supp)</i> , s. 220(3.1)
Alberta – Airdrie	Penalties on current-year taxes due to the death of a property owner during the month of June will be waived if the executor provides a valid death certificate to the City of Airdrie within 60 days of death.	Airdrie – <i>Tax Penalty Bylaw No. B-09/2018</i> (as amended)
Alberta – Edmonton	Edmonton will consider forgiveness of penalties for residential properties not owned by a corporation, with documentation, for various reasons including: <ul style="list-style-type: none"> <li>• Death of the taxpayer or their immediate family prior to payment due date</li> <li>• Unexpected life-threatening illness of the taxpayer or their immediate family member first diagnosed or where prognosis worsened during the tax payment period.</li> <li>• Hospitalization of the taxpayer during the tax payment period.</li> <li>• Destruction or damage to the building rendering it uninhabitable.</li> </ul> Reports are provided at least annually on the use of these tax relief powers.	Alberta – <i>City of Edmonton Charter, 2018 Regulation, Alta Reg 39/2018</i>  Edmonton – Charter Bylaw 18652  Edmonton – Retroactive Municipal Tax Relief Council Policy
Manitoba - Brandon	No formal compassionate penalty relief program equivalent identified. The <i>Municipal Act</i> does not provide for cancellation of taxes in this manner.	Manitoba - <i>Municipal Act, CCSM c M225</i>

Manitoba – Winnipeg	While the <i>Municipal Act</i> does not provide for cancellation, reduction or refund of taxes for the purposes of a formal compassionate property tax penalty relief program, the <i>City of Winnipeg Charter</i> permits Winnipeg City Council to cancel any taxes it wishes, by bylaw. However, no specific application of this power for formal penalty relief programs was identified.	Manitoba - <i>Municipal Act, CCSM c M225</i>  Manitoba - <i>The City of Winnipeg Charter, SM 2002, c 39, s. 347</i>
Nova Scotia – Halifax	No formal compassionate penalty relief program equivalent identified. The <i>Municipal Government Act</i> provides for councils to be able to exempt low-income persons from all or a part of property taxes, and to establish policy to reduce taxes in the event that a building on the property is fully or partially destroyed. Halifax offers tax relief until the next annual assessment for principal residences destroyed or partially destroyed by fire.	Nova Scotia – <i>Municipal Government Act, SNS 1998, c 18, s. 69-69A</i>
Ontario - Ottawa	Similarly to Toronto but under a different legislative authority, Ottawa taxpayers may have their taxes cancelled, reduced, or refunded if they are unable to pay due to “sickness or extreme poverty.” Decisions are delegated to city administration, with appeals available to an Assessment Review Board.  This same legislative framework applies to other Ontario municipalities, excluding Toronto, with similar programs available but administered differently from one municipality to another.	Ontario – <i>Municipal Act, 2001, SO 2001, c 25, s. 357(d.1)</i>
Ontario – Toronto	Taxpayers may file a Property Tax Appeal including for “sickness or extreme poverty.” Documentation is required, such as financial statements to demonstrate an inability to pay, or a doctor’s statement. Applications are heard by an Assessment Review Board, and are determined through principles of case law.	Ontario – <i>City of Toronto Act, SO 2006, c 11, Sch A, s. 323(1)(e)</i>
Saskatchewan - Regina	No formal compassionate penalty relief program equivalent identified. The <i>Municipalities Act</i> permits municipal councils to cancel, reduce, refund or defer taxes in certain situations including “due to unforeseen hardship to the taxpayer,” if the council determines the taxes have become uncollectable. This appears to be a case-by-case basis, rather than a formal program.	Saskatchewan – <i>The Municipalities Act, SS 2005, c M-36.1, s. 274</i>

## Compassionate Property Tax Penalty Relief Program

**NOTE: Projected costs of options are based on assumptions.** Adopting multiple options to expand the scope or criteria of the program may compound in increased costs. Through regular reviews and annual reporting, Administration will monitor and recommend adjustments should there be unexpected uptake or growth in costs.

### Qualifying Circumstances for Compassionate Relief

Current	Proposed	Notes
<p>“Significant life event” is defined as a death or a critical illness diagnosis impacting the property owner or an immediate family member. Critical illnesses include:</p> <ul style="list-style-type: none"> <li>• Heart attack</li> <li>• Coronary bypass surgery</li> <li>• Stroke</li> <li>• Cancer</li> <li>• Paralysis</li> <li>• Major organ transplant:               <ul style="list-style-type: none"> <li>○ Heart</li> <li>○ Liver</li> <li>○ Bone marrow</li> <li>○ Lungs</li> <li>○ Kidney</li> </ul> </li> <li>• Major organ failure (as above)</li> <li>• Multiple Sclerosis</li> <li>• Blindness</li> <li>• Deafness</li> <li>• Parkinson’s</li> <li>• Alzheimer’s</li> <li>• Loss of speech</li> <li>• Major burns</li> <li>• HIV infection</li> <li>• Brain tumour</li> <li>• Coma</li> <li>• Other serious medical condition</li> </ul>	<p>“Extraordinary Circumstances” means circumstances that directly impact a Taxpayer’s ability to pay their property tax by the applicable payment deadline, not including financial ability, but including the death or critical illness diagnosis of the Taxpayer or a Related Person.</p>	<ul style="list-style-type: none"> <li>• Adheres to the original principles of the compassionate relief program while providing additional flexibility for a wider variety of circumstances, supported by an attestation/declaration on the relief application (consistent with current practice).</li> <li>• Use of the application and declaration form relieves pressure on City employees who do not have medical expertise to determine what “other medical conditions” do or do not qualify.</li> <li>• Legislation and the proposed policy permits Administration to request additional information if needed to substantiate eligibility (e.g., death certificate, physician’s note, etc.).</li> <li>• Compassionate Relief was and is not intended to provide relief in situations where a taxpayer is financially unable to pay their taxes, but is reserved for situations where other circumstances prevented them from paying on-time.</li> <li>• A list of common eligible illnesses or conditions, like the current list, can be retained and made available, to support taxpayers’ understanding and self-selection for the program, and consistency in administration of the program.</li> </ul> <p><b>Projected Cost:</b> Approximately 5-10 additional approvals per year, based on added flexibility of the criteria. Based on an average of \$255.65 per account, this may result in \$1,278.25 - \$2,556.50 in additional costs for the program.</p>

## Eligibility Timeline for Compassionate Relief

Current	Proposed	Notes
<p>“Significant life event” must occur within the 60 days prior to payment deadline.</p>	<p>Expand eligibility timeline to <b>90</b> days prior to payment deadline.</p>	<ul style="list-style-type: none"> <li>Maintains clear timeline and parameters for ease of administering program and processing applications.</li> <li>Better accommodates circumstances such as probate periods to release funds from an estate to pay taxes (average probate period is appx. 3 months in Canada, according to <a href="https://www.insurdinary.ca">Insurdinary.ca</a> – a Canadian insurance rate comparison website partnered with organizations including Green Shield Canada, Manulife, RBC Insurance, etc.).</li> </ul> <p><b>Projected Cost:</b> Based on a 50% increase in the eligibility window, assume an additional 50% in program access. Based on a current average of \$5,328 per year, this may result in \$2,664 in additional costs for the program.</p>

## “Immediate Family Member” Definition

Current	Proposed	Notes
<p>“Immediate family member” is defined as:</p> <ul style="list-style-type: none"> <li>Current spouse (including common-law and same gender)</li> <li>Parent</li> <li>Step-parent</li> <li>Guardian</li> <li>Brother</li> <li>Child</li> <li>Step-Child</li> <li>Foster-child/ward</li> <li>Grandparent</li> <li>Step-grandparent</li> <li>Grandchild</li> <li>Step-grandchild</li> </ul>	<p>“Related Person” means a person:</p> <ul style="list-style-type: none"> <li>(i) related to the Taxpayer by blood, marriage, common-law, adoption; or</li> <li>(ii) who is dependent upon the Taxpayer and who ordinarily resides within the Taxpayer’s household.</li> </ul>	<ul style="list-style-type: none"> <li>Aligns with terminology used by the Canada Revenue Agency under the Income Tax Act.</li> <li>Aligns with the City’s <a href="#">Social Wellbeing Policy</a> to remove barriers to access penalty relief, particularly for multi-generational or extended family households who may not be eligible under current “immediate family” definition/parameters.</li> <li>Broader terminology continues to be complemented by the definition of “Extraordinary Circumstances,” in that the applicant for relief must be able to demonstrate that the circumstances directly impacted their ability to pay their taxes (e.g., providing care to a related person).</li> </ul> <p><b>Projected Cost:</b> Based on a 4.56% increase in eligible households and current average of 21 relief beneficiaries per year, assume approximately</p>

Current		Proposed	Notes						
<ul style="list-style-type: none"> <li>Step-brother</li> <li>Sister</li> <li>Step-sister</li> </ul>	<ul style="list-style-type: none"> <li>Related dependent living in same household</li> </ul>		<p>1-2 additional accounts per year (\$255.65 - \$511.3 per year in additional costs).</p> <table border="1"> <tr> <td><b>Approximate current “immediate family member” eligible households:</b> Multigenerational, one-census-family households with/without children (Calgary census metro. area, 2021<sup>1</sup>):</td> <td>365,565 (64.88%)</td> </tr> <tr> <td><b>Approximate additional “related person” eligible households:</b> Multi-family, one family with additional persons households:</td> <td>+ 25,680 (+ 4.56%)</td> </tr> <tr> <td><b>Total census households</b> (Calgary census metro. area, 2021):</td> <td>563,440 (100%)</td> </tr> </table>	<b>Approximate current “immediate family member” eligible households:</b> Multigenerational, one-census-family households with/without children (Calgary census metro. area, 2021 <sup>1</sup> ):	365,565 (64.88%)	<b>Approximate additional “related person” eligible households:</b> Multi-family, one family with additional persons households:	+ 25,680 (+ 4.56%)	<b>Total census households</b> (Calgary census metro. area, 2021):	563,440 (100%)
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## Correction of Prior-Year Assessment Errors

### Categories of Qualifying Errors for Correction

Current	Proposed	Notes
<p>To qualify for a previous year adjustment, the error must be reported within the two years after the error occurred and meet at least one of the following criteria:</p> <ol style="list-style-type: none"> <li>The property owner was not aware and/or was not notified of the change in assessment and so was unable to bring the error to the assessor’s attention within the applicable Taxation Year.</li> <li>The Assessment Business Unit was advised of the error within the applicable Taxation</li> </ol>	<p>“Qualifying Prior-Year Error” means an objective error, omission or misdescription of facts in the assessment or tax roll of the prior two Taxation Years:</p> <ol style="list-style-type: none"> <li>where the error was identified during the subject Taxation Year and not corrected in that year; or</li> <li>where there were circumstances that made it impossible to identify the error in the subject Taxation Year; and</li> </ol>	<ul style="list-style-type: none"> <li>Drafted with the City’s <a href="#">Plain Language Policy</a> in mind while balancing necessary technical language for legislative compliance and consistency in interpretation within Administration.</li> <li>Continues to enforce the expectation for property owners to review their assessment</li> </ul>

<sup>1</sup> Statistics Canada. [Table 98-10-0138-01 Household type including multigenerational households and structural type of dwelling: Canada, provinces and territories, census metropolitan areas and census agglomerations.](#)

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Current	Proposed	Notes
<p>Year in the year the assessment error occurred but:</p> <ol style="list-style-type: none"> <li>a. failed to process the correction.</li> <li>b. failed to properly amend the assessment and issued an incorrect amended assessment notice.</li> </ol> <p>3. An assessment account is set up in error and the assessment notice is mailed to an incorrect address.</p> <p>4. Another City department(s) was notified by the taxpayer of an error to a change in business assessment and the Assessment business unit was not notified accordingly during the applicable taxation year to correct the assessment.</p>	<p>(iii) including but not limited to errors relating to:</p> <ol style="list-style-type: none"> <li>(A) the physical characteristics of a property or business premises that contribute to the value of the property;</li> <li>(B) the property type or assessment class;</li> <li>(C) assessment of a business that is no longer in operation, or is no longer at the assessed premises; or</li> <li>(D) the taxable status of a property or business, if sufficient information was provided to the Municipal Assessor during the subject Taxation Year to substantiate the property or business as partially or fully exempt from taxation; and</li> </ol> <p>(iv) not including errors, omissions or misdescriptions arising due to:</p> <ol style="list-style-type: none"> <li>(A) inaccurate or incomplete information provided by the Assessed Person or Taxpayer to the Municipal Assessor about the property or business; or</li> <li>(B) non-compliance with a request for information about the property or business made by the Municipal Assessor in accordance with <i>MGA</i>, ss. 294 and 295.</li> </ol>	<p>details during The City's Customer Review Period, ensuring corrections for prior years remain a measure of last resort.</p> <ul style="list-style-type: none"> <li>• Provides some tangible examples of the types of errors that may be considered for correction for added clarity.</li> <li>• Implementation of revised criteria is expected to remain largely consistent with current practice; no specific new additional costs are anticipated.</li> </ul>