

Scenarios Administered through Property Assessment

#1: Assessment Request for Information to the Property Owner

Property Assessment currently sends ARFIs to non-residential property owners on an annual basis throughout the year in accordance with section 295 of the MGA. It is used to obtain up-to-date physical information about the property such as size, as well as market information such as recent lease information. Requests are also sent for sales information or tax status.

This scenario would involve modifying the existing ARFIs to include questions relating to business information by tenant, such as employee count. It would also request business information from the property owner. This would require property owners to obtain business-related information from their tenants and report that information to Property Assessment.

The estimated capital cost to implement this option is approximately \$150,000. This is a high-level cost estimate that only includes the implementation tasks required from a data perspective; it does not include implementation costs from a legal, technological or other perspective.

This option will also require 5 full-time employees to be added which will cost approximately \$650,000 in ongoing operational funding.

Pros	Cons
Property Assessment already has a composite database of property owner contact information, specifically owner name and mailing address.	ARFI processing is not fully automated. They are often returned in a manner that requires manual processing (i.e. returned by paper or email).
ARFIs provide a direct point of contact between the property owner and The City.	Tenants may refuse to disclose or delay disclosing business-related information to property owners. The obligation to respond, however, will remain with the property owner.
Property owners are the party receiving the tax bill and are directly invested in the result.	Requiring the property owner to obtain complete business-related information on tenants may be quite onerous, particularly for multi-tenant properties.
	Property owners may not have the ability to validate the information they receive from their tenants.

#2: Assessment Request for Information to the Business Owner and Property Owners, Individually

This scenario would involve modifying the existing non-residential ARFIs to request business information directly from business owners and property owners, separately. This would enable both property owners and business owners to respond to Property Assessment with their own information. As discussed in the Current Data section of the Report, unreliable business location data poses a challenge to this scenario.

Alternatively, Property Assessment could send ARFIs to every non-residential address in Calgary to eliminate the need for prior business contact information. However, the potential inefficiencies of this method along with administering the sheer volume of data have been raised as concerns.

The estimated capital cost to implement this option is approximately \$420,000. This is a high-level cost estimate that only includes the implementation tasks required from a data perspective; it does not include implementation costs from a legal, technological or other perspective.

This option will also require 5 full-time employees to be added which will cost approximately \$650,000 in ongoing operational funding.

Pros	Cons
ARFIs provide a direct point of contact between the property and/or business owner and The City.	<p>The City does not have a reliable database of business owner contact information; specifically, the business name and mailing address.</p> <p>The City would have to:</p> <ol style="list-style-type: none"> 1) update the data; or 2) mail ARFIs to every non-residential address in the city. <p>Both would require a significant administrative undertaking.</p>
Business owners will be responsible for providing their own business-related information to The City.	The processing of ARFIs is not fully automated. They are often returned in a manner that requires manual processing (i.e. returned by paper or email).
	High potential for incomplete data on properties, particularly those with multiple tenants.
	Large increase the volume of ARFIs, requiring a significant administrative undertaking.

#3: Application to Property Assessment for Small Business Status

Similar to the property tax exemption program currently administered through Property Assessment, this scenario would require businesses to submit an application form with supporting documentation requesting small business status to Property Assessment.

The estimated capital cost to implement this option is approximately \$450,000. This is a high-level cost estimate that only includes the implementation tasks required from a data perspective; it does not include implementation costs from a legal, technological or other perspective.

This option will also require 5 full-time employees to be added which will cost approximately \$650,000 in ongoing operational funding.

Pros	Cons
Business owners will be responsible for providing their own business-related information to The City.	Potential for The City’s communications to fail to reach all small business owners, causing some businesses to miss the opportunity to apply.
No need for The City to initiate individual contact; no need to obtain or update business contact information.	Property Assessment application process will rely heavily on manual processing.
	High potential for incomplete data on properties, particularly those with multiple tenants (speculation).

Scenarios Administered through Business Licensing

#4: Annual Declaration to Business Licensing; Establishing a Comprehensive Licensing Regime

This scenario would involve expanding the business information that Business Licensing collects to include the employee count (and any other business-related information prescribed by the sub-class bylaw) for every business in Calgary as well as requiring a licence for all businesses.

It is estimated that this would require double the number of employees and resources to undertake this endeavor. There would also be additional burdens on the Legal Counsel & Advocacy and Fire Inspection & Enforcement service lines which have not yet been explored.

The business licensing process is largely reliant on businesses self-reporting their information to The City. Perhaps the SBSC tax benefits alone would be enough to encourage self-reporting to The City; though, this is currently unknown and would likely depend on the efficacy of The City's communication to stakeholders.

One possible solution to encourage self-reporting would involve the establishment of a “general” business licence category to capture all the businesses that otherwise do not require a municipal business licence to operate. The concept of licensing all businesses in Calgary has previously been considered by The City and was dismissed as it was perceived as imposing unnecessary bureaucratic burdens on business owners.

Pros	Cons
Business Licensing’s current online system, if modified, likely has the capacity to manage the intake of information.	Potential for The City’s communications to fail to reach all business owners, causing some businesses to fail to comply.
Business owners would be responsible for providing their own business-related information to The City.	Designing and enforcing a comprehensive licensing regime would be a large administrative undertaking requiring substantially more employees and resources.
There would be a comprehensive database of all business in Calgary which does not currently exist.	The current mandate of Business Licensing is focused on Public Safety, Consumer Protection and Service Quality. A new mandate may be required with this initiative.
Licensing each business may allow for reliance on business licence status to identify businesses, consistent with the language of section 2(3)(a) of the Regulation.	Data intake would be high-volume and would not be without some degree of manual processing.
	The licensing regime would have to be strategically designed to comply with legislation that exempts some regulated professions from municipal business licensing.
	A comprehensive licensing regime has been criticized for imposing unnecessary bureaucratic burdens on business owners.

#5: Annual Declaration to Business Licensing; Establishing a Comprehensive Business Registry Regime

Similar to scenario 4, this scenario would involve expanding the business information that Business Licensing collects to include employee count (and any other business-related information prescribed by the sub-class bylaw) for every business in Calgary and requiring all businesses to register with The City.

To encourage self-reporting, The City would require businesses to register regardless of whether they require a municipal licence to operate, establishing a comprehensive business registry.

Both options 4 and 5 would require a capital investment of \$20,000 to begin to collect the data. This is a high-level cost estimate that only includes the implementation tasks required from a data perspective; it does not include implementation costs from a legal, technological or other perspective.

In addition, options 4 and 5 will require a near doubling of the Business Licensing service’s operational budget as both options would require the licensing and enforcement of twice as many businesses as in the current state. These options would require \$7.9 million in ongoing operational funding.

Pros	Cons
Business Licensing’s current online system, if modified, likely has the capacity to manage the intake of information.	Potential for The City’s communications to fail to reach all business owners, causing some businesses to fail to comply.
Business owners would be responsible for providing their own business-related information to The City.	Designing and enforcing a comprehensive licensing regime would be a large administrative undertaking requiring more employees and resources.
There would be a comprehensive database of all business in Calgary which does not currently exist.	The current mandate of Business Licensing is focused on Public Safety, Consumer Protection and Service Quality. A new mandate may be required with this initiative.
	Data intake would be high-volume and would not be without some degree of manual processing.
	Similar to a comprehensive licensing regime, a registry regime could be criticized for imposing unnecessary bureaucratic burdens on business owners.