

# Council Policy

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Policy Number: ply\_FIN\_Municipal\_Property\_Tax\_Cancellation\_Reduction\_Refund\_and\_Deferral\_Policy

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## Municipal Property Tax Cancellation, Reduction, Refund and Deferral

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Date Approved by Council: November 30, 2021

Resolution No.: 507/21

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Mayor: "Original Signed – Alanna Hnatiw"

County Commissioner: "Original Signed – Reagan McCullough"

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### 1. Purpose

The purpose of this Policy is to establish the process whereby Council considers requests for municipal property tax cancellation, reduction, refund, or deferral pursuant to section 347(1) of the *Municipal Government Act*.

### 2. Revision History

<i>Approval Date</i>	<i>Revision Number</i>	<i>Modification</i>
<i>30 November 2021</i>	<i>1.0</i>	<i>New Document</i>

### 3. Persons/Areas Affected

Council  
Administration  
Taxpayers

### 4. Definitions

The following definitions and interpretations apply to this policy:

*Administration* means the County Commissioner or his delegates.

*Council* means the Council of Sturgeon County.

*County* means the Municipality of Sturgeon County.

*County Commissioner* means the Chief Administrative Officer of Sturgeon County.

*Governance and Council Services Committee* or *Committee* means the Council Committee established by Bylaw 1471/20 that is comprised entirely of Councillors with a mandate to receive updates from Administration and provide recommendations on matters of a governance nature which will ultimately be presented to Council for decision.

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*Taxpayer* means a person or business liable to pay property taxes to Sturgeon County.

## 5. Policy Statement

- 5.1. Section 347(1) of the *Municipal Government Act* (MGA) states that, if Council considers it equitable to do so, it may, with respect to a particular taxable property, with or without conditions, cancel or reduce tax arrears, cancel or refund all or part of a tax, or defer the collection of a tax.
- 5.2. Section 203(2)(d) of the MGA states that Council may not delegate its power with respect to taxes under section 347.
- 5.3. To improve the efficiency of Council's consideration of taxpayer requests for tax cancellation, reduction, refund, or deferral, Council has established the following distinct processes:
  - 5.3.1. Requests for property tax penalty cancellation, reduction or refund resulting from late payment of taxes.
  - 5.3.2. Requests for property tax cancellation, reduction, or refund resulting from a fire loss.
  - 5.3.3. Requests for property tax exemption or deferral of non-residential (class 2) properties and machinery and equipment (class 4) in Alberta's Industrial Heartland.

## 6. Policy Guidelines

- 6.1. Requests by taxpayers for property tax cancellation, reduction, refund, or deferral shall be made in writing to Administration.

### Requests Made Due to Late Payment of Taxes

- 6.2. Upon receiving a written request that property tax penalties be cancelled, reduced, refunded, or deferred, Administration shall review the request and consider whether the request is eligible under the Tax Installment Payment Plan (TIPP) Bylaw where penalties are held in abeyance and subsequently cancelled if the taxpayer meets the requirements of the program.
- 6.3. If the request is eligible, Administration shall contact the taxpayer and provide the necessary information for the taxpayer to enroll in TIPP.
- 6.4. If the taxpayer enrolls in TIPP, the request is considered to have been addressed and Council will not consider it.

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- 6.5. If the taxpayer does not enroll in TIPP, the request will be advanced to the Committee for consideration in accordance with this Policy.

## Requests Made Due to Fire Loss

- 6.6. Upon receiving a written request that property taxes be cancelled, reduced, refunded, or deferred due to a fire loss and where the circumstances of the fire are not deemed to be suspicious, Administration shall bring the request directly to Council for consideration without requiring the taxpayer to present to Council.

- 6.7. When presenting its recommendation, Administration shall consider the pro-rated municipal tax based on the reduced assessment value of the property and improvements due to the fire.

## Requests for Non-Residential Properties Eligible Under the Heartland Incentive Bylaw

- 6.8. Requests eligible under the Heartland Incentive Bylaw will be forwarded to the Program Officer designated by the County Commissioner. Requests will be processed in accordance with the requirements of the Heartland Incentive Bylaw.

## Review and Consideration Process

- 6.9. Where a taxpayer is ineligible for, or has chosen not to apply under TIPP, written requests shall be forwarded to the Committee for consideration at the next available Committee meeting.
- 6.10. At this meeting, Administration shall provide relevant background information.
- 6.11. Taxpayers shall be provided the opportunity to make a presentation to the Committee on why taxes should be cancelled, reduced, refunded, or deferred, followed by questions from Committee members.
- 6.12. The Committee shall make a recommendation for Council's consideration at the next available Regular Council meeting.
- 6.13. Council shall consider the Committee's recommendation but retains the discretion to make decisions that it considers to be equitable given the unique circumstances of each request.
- 6.14. Following Council's decision, Administration shall notify the taxpayer without delay and process any required tax cancellations, reductions, refunds, or deferrals.

## Consideration of Exceptional Circumstances

6.15. If Council considers it appropriate and equitable to do so, it may consider requests outside of the processes established in this Policy.

## **7. Responsibilities**

Taxpayers shall:

- Submit requests pursuant to this Policy to Administration with sufficient information for Administration to route requests appropriately.
- Consider participating in Committee meetings to provide sufficient information for the Committee to make a recommendation regarding the request.

The Committee shall:

- Make recommendations to Council pursuant to this Policy.

Council shall:

- Consider requests for property cancellation, reduction, or refund due to fire loss based on Administration's recommendations.
- Consider the Committee's recommendations relating to requests for property tax penalty cancellation, reduction, or refund.

Administration shall:

- Assist taxpayers in submitting requests through the proper channels.
- In the event of a fire loss, provide sufficient information and a recommendation for Council to consider the request.
- In all other instances, provide sufficient information to allow the Committee to make an informed recommendation to Council.
- Present the Committee's recommendations to Council for consideration.

## **8. Review Period**

This policy shall be reviewed by Administration at least every four years.

## **9. Cross Reference**

*Municipal Government Act* section 347(1)

Bylaw 1471/20 – Governance and Council Services Committee Bylaw

Bylaw 1536/21 – Tax Installment Payment Plan Bylaw

Bylaw 1552/21 – Heartland Incentive Bylaw