

Subject: Tax Relief Request for 160 Dickens Drive**APPROVALS:****Jamie Doyle**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

THAT the tax cancellation request for all municipal taxes, requisitions and penalties accrued for the 2021 tax year, in the amount of \$7,651.23 for the property located at 160 Dickins Drive in Fort McMurray, be denied;

THAT the tax refund request for all municipal tax payments, requisitions and penalties accrued from 2016 to 2020 in the amount of \$35,164.41 for the property located at 160 Dickins Drive in Fort McMurray, be denied; and

THAT the tax exemption request for the Wheaton-Penney Family Childcare Centre and the Legacy Counselling Centre, currently located within the existing building at 160 Dickins Drive in Fort McMurray, for all future years, be denied.

Summary:

The property owner is requesting a tax refund of all municipal taxes, penalties and requisitions from 2016 to 2020 and cancellation of the 2021 municipal taxes and requisitions. The property was fully exempt under Section 362(1)(k) of the *Municipal Government Act (MGA)* until 2016. In 2016, a portion of this property became taxable due to the commencement of two (2) other operations: the Legacy Counseling Centre and the Wheaton-Penney Childcare Centre.

The property owner was advised that these two (2) operations may qualify for an exemption if it meets the conditions outlined under Sections 15 and 16 of the *Community Organization Property Tax Exemption Regulation, AR 281/98 (COPTER)*. An application must be submitted to Administration in order for a determination to be made regarding exemption status. No application has been brought forth at this time.

A refund or cancellation of property taxes and requisitions cannot be determined fairly at this time without the pertinent information.

Background:

On June 9, 2021, Administration received an inquiry from the Family Christian Centre (Owner) regarding taxes imposed on the property "Family Christian Centre (Fort McMurray)" at 160 Dickins Drive (Plan 802 2549, Block 84, Lot 105). This property is held by a "religious body", therefore the building on this property is considered exempt pursuant to Section 362(1)(k) of the *MGA*; however, in 2016 it was determined that ten (10) per cent of this property became taxable due to the opening of two (2) additional operations on-site: the Legacy Counseling Centre and the Wheaton-Penney Childcare Centre.

Each year, the Municipality receives approximately fifty (50) applications for exemptions under the *COPTER*. This regulation outlines required conditions for tax exemptions for all not-for-profit or charitable organizations. The property owner was advised to apply for tax exemption for these on-site operations. The *COPTER* allows for exemption for charitable organizations if conditions are met as outlined in the regulation.

Administration has not received an application from the property Owner to date. Without the information supplied within the application, it is not possible to determine if the conditions outlined in the legislation are being met.

As per Section 347(1) of the *MGA*, if Council considers the request for refund or cancelation as "equitable" it may, with or without conditions, cancel or refund all or part of the municipal tax and penalties. The Provincial requisitions are not, a "tax" under the *MGA* but a collection of funds to be paid to the Province for education and seniors' purposes. If Council chooses to reimburse the previous Province of Alberta requisition portions to the property Owner, the monies would be taken from Municipal reserves as all monies collected in the past have been forwarded to the Province as payments to the individual school boards and seniors.

Budget/Financial Implications:

Should Council elect to cancel 2021 taxes and refund all prior taxes and requisitions from 2016 to 2020, this will result in a net decrease in the amount of \$42,814.64. The municipal tax portion is equal to \$21,419.83, accrued penalties are \$1,012.75, and the Alberta requisition is equal to \$20,383.06. Any cancellation or refund of Alberta requisitions would have to be taken from Municipal reserve.

Rationale for Recommendation:

To ensure equitable application of the tax legislation to all taxpayers as outlined in the *MGA* the application process must be followed. Without the necessary qualifying information, it is not possible for Administration to recommend a cancellation and refund of taxes to the property owner as "equitable" pursuant to Section 347(1) of the *MGA*.

Strategic Priorities:

Responsible Government

Attachments:

1. The Community Organization Property Tax Exemption Regulation (COPTER)