

Subject: Tax Relief Request - Plan: 1222967 Block: 1 Lot: 1**APPROVALS:****Paul Thorkelsson**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

THAT the request for a tax refund, in the amount of \$109,343.57, comprising of property taxes and penalties, for the property located at Plan: 1222967 Block: 1 Lot: 1, be approved.

Summary:

Administration received a tax refund request for a portion of 2019 taxes and penalties paid in the amount of \$109,343.57. The request is related to an error of the assessed values from the 2019 tax year. The Property Tax Relief Policy (FIN-280) allows Administration to refund all or part of a property tax during the current year or previous two years without Council's authority. As this request falls outside of the time limitation stated in policy FIN-280, only Council has the authority to refund these taxes.

Background:

The property owner initially contacted the assessment branch in November 2019 regarding a significant increase in the assessment value of the property located at Plan: 1222967 Block: 1 Lot: 1, for the 2019 taxation year. The assessment increase was a result of a change in the valuation method of developable land area. The issue was not adequately addressed until 2021, when the size adjustment was corrected. Therefore, the property was unfairly assessed in 2019 and 2020.

The recently enacted Council Policy FIN-280 Property Tax Relief, section 3.2.6 states:

The Municipality retains the ability to cancel, reduce, or refund all or part of a Property Tax or Property Tax penalty applied during the current Taxation Year or previous two Taxation Years without presenting to Council if it is determined that the Assessment Branch or Taxation Branch has made an error, omission, or misrepresentation in the administration of the assessment and tax account in question.

With the approval of FIN-280, a refund was issued for the 2020 taxes. The 2019 taxes cannot be adjusted by the Municipality as the 2019 taxes charged fall outside the time

limit stipulated in FIN-280.

As per the *Municipal Government Act*, S 347(1):

If a Council considers it equitable to do so, it may, generally or with respect to a particular taxable property or business or a class of taxable property or business, do one or more of the following, with or without conditions:

- (a) *Cancel or reduce tax arrears;*
- (b) *Cancel or refund all or part of a tax;*
- (c) *Defer the collection of a tax.*

Budget/Financial Implications:

Should Council elect to cancel the 2019 property taxes and penalties, this will result in a net decrease of \$109,343.57.

Rationale for Recommendation:

Subsection 347 (1) of the *Municipal Government Act* authorizes Council, where it deems it equitable, to cancel or refund all or part of a tax. The issue was brought to the Assessment Branch but was not adequately addressed. Consequently, the owner paid higher taxes. Administration recommends that the request be approved by reimbursing a portion of the 2019 taxes for Plan: 1222967 Block: 1 Lot: 1, in the amount of \$109,343.57.

Strategic Plan Values:

Fiscal Management