

Subject: Tax Relief Request for Plan: 3969ET Block: 3 Lot: 7**APPROVALS:****Paul Thorkelsson**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

THAT the request for relief of cleanup costs and penalties, as caused by the 2016 Horse River Wildfire, in the amount of \$90,071.60, for the property legally described as Plan: 3969ET Block: 3 Lot: 7 (the “property”), be denied.

Summary:

Administration received a request from a taxpayer for relief of cleanup costs including penalties, in the amount of \$90,071.60 for the “property” which was destroyed by the Horse River Wildfire on May 3, 2016.

As per the *Municipal Government Act* (MGA), s. 347 (1), if Council considers it equitable it may, with or without conditions, cancel or reduce tax arrears. Council's approval is therefore necessary for such a request for relief of taxes.

Background:

On May 3, 2016, a warehouse located on the “property” was destroyed by fire. Pursuant to s. 546 of the MGA, the Regional Municipality of Wood Buffalo (RMWB) served a written Demolition Order on the taxpayer to clean up the subject site by September 30, 2016. Given the practical challenges associated with attempting to track down 2000+ property owners to personally serve them with Demolition Orders, pursuant to s. 615.1 of the MGA, the Minister of Municipal Affairs issued a “Ministerial Order” allowing the Municipality to serve Demolition Orders by way of a notice posted on the RMWB website.

In compliance with the Ministerial Order, the demolition Order for the “property” was mailed to the address listed on the tax account on August 2, 2016 and notice of the Order was posted to the Municipality's website on July 27, 2016.

The taxpayer did not clean up the site by the September 30, 2016 deadline.

Numerous properties required demolition due to the wildfire. To ensure public safety,

RMWB issued a request for proposal (RFP) to demolish sites with public safety concerns.

Through the RFP process, the RMWB retained a third party to demolish structures which fell into the Ministerial Order. Accordingly, the subject “property” was demolished and site cleared in October 2016.

Due to non-payment of the contracted cleanup activities of \$47,250.00, and pursuant to s. 553 of the MGA, the receivable was transferred to the taxpayer’s property tax account on January 12, 2018. An updated tax account statement was mailed to the taxpayer on January 12, 2018, and the outstanding balance was included in tax bills from May 2018 and onward.

On October 24, 2022, a request for tax relief of \$90,071.60 was received from the property owner related to the cleanup costs, which had been transferred to the tax roll for collection purposes.

Budget/Financial Implications:

Should Council provide tax relief for the demolition costs and penalties that were transferred to the tax account, it will result in a net loss of \$90,071.60.

Rationale for Recommendation:

The request for tax relief does not meet the following provision of the approved Property Tax Relief Policy (FIN-280):

3.2.4.9. The request for relief is for charges, levies, or amounts added to the tax roll that do not relate to the annual property assessment and taxation process; the post 2016 wildfire cleanup costs and penalties in the amount of \$90,071.60 is included in this request.

An order was issued pursuant to section 546 (1) of the MGA. The taxpayer did not comply with the order, nor was an appeal of the order received.

It would not be equitable for Council to provide tax relief for the following reasons:

The taxpayer has not provided evidence of any special considerations to Council which might allow the application of the "equitable" test for tax relief.

If the taxpayer is successful in having the cleanup costs refunded, such costs are effectively absorbed by the remaining taxpayers, including those homeowners who responsibly addressed the cleanup of their sites at their own expense following the 2016 wildfire.

While the situation that the property owner is experiencing is unfortunate, many other businesses and homeowners have navigated similar circumstances following the aftermath of the wildfire. Please note that property taxes in Alberta are highly regulated

and all taxpayers must be treated equally.

Following the Horse River Wildfire, all fire-impacted homeowners received tax relief in the form of the cancellation of 2016 municipal property taxes for destroyed or severely damaged homes, until the property was repaired, sold, or the end of the calendar year was reached. Therefore, it would not be fair and equitable to taxpayers if Council chose to cancel the taxes and penalties on this property.

Strategic Plan Values:

Responsible Government
Fiscal Management

Attachments:

1. Ministerial Order - Wildfire Demolition