

Subject: 2017 Tax Relief Request for 165 Black Bear Crescent, Fort McMurray and 101 Garson Place, Fort McMurray**APPROVALS:****Annette Antoniak**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

1. THAT the request for cancellation of the 2017 municipal tax portion for 165 Black Bear Crescent, Fort McMurray in the amount of \$81.65, be approved.
2. THAT the request for cancellation of the tax penalty imposed under Bylaw 95/041 (tax penalty) on property located at 101 Garson Place, Fort McMurray be denied.

Summary:

Administration received a request for a tax refund of the 2017 municipal tax portion of \$81.65, which excludes education and seniors' requisitions, for property located at 165 Black Bear Crescent, Fort McMurray which was damaged by fire on June 30, 2017.

Administration received another request for tax penalty cancellation in the amount of \$68.72 for property located at 101 Garson Place, Fort McMurray. The owners of the property made the request as a result of a medical situation which necessitated both home owners to be away from the residence for an extended period of time which encompassed the tax notice period and beyond.

As per the *Municipal Government Act*, Council approval is required to refund taxes.

Background:*165 Black Bear Crescent*

The property owner of 165 Black Bear Crescent requested relief of the municipal portion of the 2017 property taxes. The homeowner sent the request by email to the Assessment & Taxation Department email (Assessment.Taxation@rmwb.ca) on August 17, 2017 and December 20, 2017. However, due to email security measures, these emails were caught in security filters and the emails were not received. With the Information Technology department's assistance, this issue has now been corrected. In

March 2018, the property owner contacted the Regional Assessor and requested the tax adjustment be processed. The destruction of a portion of the dwelling is a financial loss that the property owner has suffered.

101 Garson Place

The property owner of 101 Garson Place requested relief of the penalty imposed on outstanding property taxes received after June 29, 2018. The property owners have paid the entire tax bill and penalty and now request a refund of the penalty due to their absence from Fort McMurray due to an ongoing medical situation.

As per the *Municipal Government Act*, Section 203(2) reads:

“A council may not delegate ...

(d) its power with respect to taxes under section 347 ...”

As per the *Municipal Government Act*, Section 349(1) reads:

“Taxes that have been imposed in respect of improvement are a first charge on any money payable under a fire insurance policy for loss or damage to those improvements.”

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

“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.”

The Municipality does not have a policy guiding the application of Section 347. The past practice of approvals for Section 347 requests has been to only approve requests for tax cancellation due to fire damage on residential homes.

Budget/Financial Implications:

The table below shows the refund of the municipal portion of property tax for 165 Black Bear Crescent property resulting in a net loss of \$81.65; prorated at \$.44 per day for 184 days for the period from June 30, 2017 to December 31, 2017.

	2017 Levy	Refund (Building Only)	Revised 2017 Levy
Municipal			
Land	\$ 434.92		\$ 434.92
Building	278.26	\$ 81.65	196.61
School	\$ 1,176.06		\$ 1,176.06
Ayabaskaw	1.48		1.48
Rotary House	12.45		12.45
TOTAL	<u>\$ 1,903.17</u>	<u>\$ 81.65</u>	<u>\$1,821.52</u>

The refund for 101 Garson Place is \$68.72 which reflects the penalty amount of 3% on an outstanding balance for unpaid taxes after June 29, 2018.

Rationale for Recommendation:

165 Black Bear Crescent

Section 347(1) of the *Municipal Government Act* allows Council, if it considers it equitable to do so, to cancel or refund all or part of a tax. The improvements located at 165 Black Bear Crescent were damaged by fire on June 30, 2017. The 2018 Assessment has been revised to reflect the state of the property as of December 31, 2017. In a discussion with the owner of this property he stated that insurance proceeds did not cover property taxes. Based on previous allowances by Council for similar situations, Administration recommends tax cancellation be permitted by reducing the 2017 municipal tax levy for 165 Black Bear Crescent in the amount of \$81.65.

101 Garson Place

The property owners of 101 Garson Place are currently going through a medical situation in which they have paid their 2018 property taxes and penalty, but paid these amounts late on July 10, 2018. Administration cannot recommend approval of this request due to personal reasons as past practice is that Section 347 residential requests have only been approved when properties have been damaged by a fire. Should tax cancellation be approved, Council will be left with the onerous task of determining what is an acceptable situation, medical or otherwise, which would allow cancellation of property taxes or penalties in future situations. Therefore, Administration recommends the tax cancellation for 101 Garson Place be denied.

Strategic Priorities:

Responsible Government