

Cooking Lake Airport Property Tax Refund Request – Roll Range 1225600109 to 1225609407, 1226503003 and 1226505005**Report Purpose**

To bring forward a request for a refund of property taxes for the 2018 tax year.

Recommendation

THAT the requested refund of property taxes for all properties located within the boundaries of the Cooking Lake Airport, be denied.

Council History

May 15, 2018 – Council received a presentation from representatives of the Cooking Lake Airport with information on a runway extension, pavement rehabilitation and property tax.

Strategic Plan Priority Areas

Economy: For the 2018 tax year 95 properties are affected. The requested property tax refund of \$837,500 is to be dispersed amongst the 95 properties.

Governance:

- The refund would create an inequity between Warren Thomas Airport and Cooking Lake Airport based on applicable legislation.
- The \$837,500 refund request would require a current and retroactive municipal levy refund of 4.5 plus years if municipal taxes were refunded for all 95 properties.

Social: n/a

Culture: n/a

Environment: n/a

Other Impacts

Policy: n/a

Legislative/Legal:

- Section 347 of the *Municipal Government Act* allows Council to, if it considers it equitable to do so, cancel or refund all or part of a tax referable to a property or class of taxable properties.
- Section 297 defines the “classes” of properties. The properties at issue in this request fall into Class 2 – non-residential.
- The *Municipal Government Act* does not define the term “equitable” but the concept has been interpreted by many court decisions. Equity in local taxation is based on the principles of equality and uniformity (*Cogswell v. Holland* (1889) 21 NSR 155, affirmed SCC)
- Reducing or cancelling taxes to create business incentives for a particular sub-class of property has been found to be beyond Council’s jurisdiction (*Telus Communications Inc. v. Opportunity (M.D.)* No. 17 [1998] AJ no. 1182 (QB)).
- In exercising its discretionary jurisdiction to cancel or refund taxes under section 347, Council must also be mindful of considering the municipal purpose or purposes at issue in any particular request (identified in section 3 of the *Municipal Government Act*) and that all Councillors have a duty to consider the interests and welfare of the whole municipality when considering matters before Council (section 153).

Interdepartmental: n/a

Summary

Cooking Lake Airport and Warren Thomas Aerodrome have been assessed according to the legislative requirements in the *Municipal Government Act* and associated regulation Matters

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Associate Commissioner: Gregory J. Yeomans, Chief Financial Officer

Lead Department: Assessment and Tax

Relating to Assessment and Taxation 203/2017. The associated taxes are equitable; they have been fairly distributed based on the legislated market value assessment process.

The question of equity as it relates to the Cooking Lake Airport and Warren Thomas Aerodrome has been challenged at the Assessment Review Board by the Cooking Lake Airport on two separate occasions; first in 2015 and again in 2017. The outcome of both hearings was to confirm the assessment as both airports were being treated equitably.

The proposed tax refund is predicated on the services Strathcona County provides to the Warren Thomas Aerodrome in comparison to the Cooking Lake Airport. Warren Thomas Aerodrome is a municipally owned airport; therefore Strathcona County is responsible for all operations on the property. Cooking Lake Airport is a privately owned condominium. Strathcona County provides services up to the property line for all privately owned property within Strathcona County.

The request is to have the refund go to The Owners Condominium Plan 1721695. The Owners Condominium Plan 1721695 is the registered owner for three properties within the boundaries of the Cooking Lake Airport. 1754450 Alberta Ltd, also owned by The Owners Condominium Plan 1721695, owns 16 properties within the boundaries of the Cooking Lake Airport. The remaining 76 properties are owned by private owners or businesses. The Condominium Association cannot collect the proposed refund of property taxes for these 76 properties. Refunds must be reimbursed to the property owner listed on the land title.

Communication Plan

Letter

Enclosures

- 1 Section 347 Application
- 2 Cooking Lake Airport properties
- 3 Assessment and Tax s. 347(1) presentation