

2019 Urban Service Area – Farm Tax Cancellation

Report Purpose

To seek Council approval on the partial cancellation of 2019 property taxes on farm buildings and residences located in the Urban Service Area for the purpose of maintaining equity with farm properties in the Rural Service Area.

Recommendation

THAT partial cancellation of property taxes for the 53 properties in the Urban Service Area with farm buildings and farm residences totalling \$15,365 for the 2019 tax year, as set out in enclosure 2 of the March 26, 2019 Assessment and Taxation report, be approved.

Our Prioritized Strategic Goals

Goal 2 - Manage, invest and plan for sustainable municipal infrastructure

Report

Order in Council (761/95) established Strathcona County as a specialized municipality and defined the Urban Service Area (USA) and Rural Service Area (RSA) as amended by Bylaws 15-2016 and 20-2016. The Matters Relating to Assessment and Taxation Regulation (203/2017) specifies that farm buildings in the USA are to be assessed and taxed in the same manner as urban municipalities.

For the 2019 tax year, there will be 53 farm properties in the USA that have a farm residence and/or farm buildings. Unless section 347 of the *Municipal Government Act (MGA)* is used to cancel taxes as recommended, all 53 properties will experience an increase in their 2019 property taxes and an inequitable level of taxation compared to similar properties in the RSA.

Council and Committee History

2006 to 2018 Tax Years - Council has approved the cancellation of property taxes on farm buildings and farm residences in the Urban Service Area to the same extent as they are exempt in the Rural Service Area.

Other Impacts

Policy: Property Tax Relief – The Urban Service Area Farm Tax Cancellation recommendation falls under Council Discretion within the Policy. “This policy does not preclude Council from exercising its broad discretion to grant tax relief under section 347 of the *Municipal Government Act* if it determines, after due consideration of the impacts on the tax burden of other property owners in the municipality, that the granting of such relief is equitable in the particular circumstances.”

Legislative/Legal: Section 347 of the *Municipal Government Act* allows Council to consider a reduction, cancellation or deferral of taxes on a year by year basis and only where Council considers it equitable to do so.

Interdepartmental: n/a

Master Plan/Framework: n/a

Communication Plan

Assessment and Tax Notice

Enclosures

- 1 Urban Service Area (USA) – Boundary Map
- 2 2019 USA Farm Tax Cancellation Properties