

2021 Urban Service Area – Farm Tax Cancellation**Report Purpose**

To seek Council approval on the authorization of partial cancellation of 2021 property taxes on farm buildings and residences located in the Urban Service Area.

Recommendation

THAT partial cancellation of property taxes for the 47 properties in the Urban Service Area with farm buildings and farm residences totalling \$10,650.21 for the 2021 tax year, as set out in enclosure 2 of the April 13, 2021 Assessment and Tax report, be approved.

Our Prioritized Strategic Goals

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

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 & Taxation Regulation 203/2017 specifies that farm properties in the USA are to be assessed and taxed at a higher level in comparison to farm properties in the RSA.

For the 2021 tax year, there will be 47 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 47 properties will experience an increase in their 2021 property taxes and an inequitable level of taxation compared to similar properties in the RSA.

Council and Committee History

2006 to 2020 Tax Years – Council 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 2021 USA Farm Tax Cancellation Properties
- 3 Property Tax Relief Policy