

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

To authorize partial cancellation of 2016 property taxes on farm buildings and farm residences located in the Urban Service Area, in order to maintain equity with farm properties in the Rural Service Area.

Recommendation

THAT the partial cancellation of property taxes on farm buildings and farm residences in the Urban Service Area for the 2016 tax year be approved.

Council History

2006 to 2015 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.

Strategic Plan Priority Areas

Economy: For the 2016 tax year (seven properties affected), cancelled property taxes will total approximately \$4,400.

Governance: Provides equitable taxation of both urban and rural farm 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 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

Summary

Order in Council (761/95) established Strathcona County as a specialized municipality and defined the Urban Service Area (USA) and Rural Service Area (RSA). The Matters Relating to Assessment and Taxation Regulation (220/2004) specifies that farm properties in the USA are to be assessed and taxed in the same manner as urban municipalities.

For the 2016 tax year, there will be seven 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 seven properties will experience an increase in their 2016 property taxes and an inequitable level of taxation, compared to similar properties in the RSA.

Two separate Alberta Urban Municipalities Association resolutions (2010 and 2012) on property assessment and taxation have been presented to the Minister of Municipal Affairs as part of the MGA review. These resolutions deal with the issue of inequitable taxation of urban farm residences and farm buildings. The final round of amendments for the MGA review is scheduled for 2016.

Communication Plan

Letter

Enclosure

1 Urban Service Area – Boundary Map (Document: 8340737)