
2023 Urban Service Area – Farm Tax Cancellation**Report Purpose**

To seek Council approval on the authorization of partial cancellation of 2023 property taxes on residences located in the Urban Service Area.

Recommendation

THAT partial cancellation of property taxes for the 41 properties in the Urban Service Area with farm residences totalling \$6,876.75 for the 2023 tax year, as set out in enclosure 2 of the April 4, 2023 Assessment and Tax report, be approved.

Our Strategic Goals

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 and 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 2023 tax year, there will be 41 farm properties in the USA that have a farm residence. Unless section 347 of the *Municipal Government Act (MGA)* is used to cancel taxes as recommended, all 41 properties will experience an increase in their 2023 property taxes and an inequitable level of taxation compared to similar properties in the RSA.

Council and Committee History

2006 to 2022 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.

Financial/Budget: Nominal impact

Interdepartmental: n/a

Master Plan/Framework: n/a

Communication Plan

Assessment and Tax Notice

Enclosures

- 1 2023 Urban Service Area (USA) – Boundary Map
- 2 2023 USA Farm Tax Cancellation Properties
- 3 Policy SER-002-007, Property Tax Relief