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## Property Tax Relief

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**References:** *Municipal Government Act, RSA 2000, c M-26*

### Policy Statement

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Section 347(1) of the Municipal Government Act permits Council to cancel or reduce tax arrears, cancel or refund all or part of a tax, and defer the collection of a tax, for a particular taxable property or business, or a class of taxable property or business, if Council considers it equitable to do so. Section 203 of the Municipal Government Act prohibits Council from delegating this power to administration.

A cancellation, refund, reduction, or deferral of all or part of a property tax impacts all property owners because the amounts uncollected due to a cancellation, refund, reduction, or deferral must be made up by all other property owners. Council must exercise this power in an equitable manner, in consideration of fulfillment of municipal purposes and the obligation of Councillors to consider the interests and welfare of the whole municipality.

### Purpose

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This Policy provides guidelines for Council to consider in the exercise of its discretion under section 347(1) of the *Municipal Government Act*, and for property owners to follow when asking Council to grant tax relief under section 347 of the *Municipal Government Act*.

### Definitions

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Words used in this Policy have the same meaning as given to them in the *Municipal Government Act*;

"error in fact" means objective and material errors such as building characteristics or tax-exempt status, but does not include subjective property valuation assessment matters;

"tax relief" means a cancellation, reduction, refund or deferral of property tax pursuant to section 347 of the *Municipal Government Act*;

"taxation year" means the year to which an assessment of the property relates.

### Guidelines

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#### Corrections in Current Tax Year

Property assessment and taxation is an annual process, and the Municipal Assessor has legislative authority to correct assessments for error, omission, or misdescription in the current taxation year. Property owners are in the best position to know the characteristics and qualities of their property and are expected to promptly contact the Municipal Assessor

or file a complaint with the Assessment Review Board regarding a property assessment that contains errors, omissions or misdescriptions. Historical changes could have a significant impact on all current taxpayers and the responsibility for reviewing assessments should be borne by each individual property owner when assessment notices are issued.

### **Tax Relief Categories**

Council may consider tax relief applications that fall into one of the following categories:

1. Error in Fact

A property owner paid additional property taxes due to an error in fact relating to a property in the current taxation year or the prior taxation year.

2. Tax Exempt Properties While Under Construction

A property is held or owned by a tax-exempt organization which, following construction that is currently occurring, will be used for purposes that are exempt from taxation.

Tax exempt organizations seeking tax relief should be able to demonstrate their tax exempt status and that construction was pursued diligently and without delay from the time permits were granted.

Tax relief may be provided on a pro-rated basis based during the taxation year in which the construction started. Tax Relief will only be considered for three consecutive taxation years.

3. Compassionate Grounds

Council may provide tax relief for late payment penalties imposed where the property owner did not pay the property taxes by the payment due date.

Tax relief for the late payment penalty is only available for the current taxation year penalties in which a death or critical illness occurred in the family of the property owner.

In all tax relief applications Council will weigh the amount and nature of relief sought against the rights of all property owners to fair and equitable property taxation.

### **Tax Relief Not Available**

A property owner may not seek tax relief under this Policy for:

1. Taxes imposed under section 326(1)(a)(vi) of the *Municipal Government Act* relating to designated industrial property.
2. Taxes or penalties relating to more than one prior taxation year.
3. Amounts added to the tax roll that do not relate to the annual property assessment and taxation process, including but not limited to:
  - a. charges arising from the tax recovery process;
  - b. unpaid violation charges;
  - c. utility consumption or installation charges; or
  - d. any penalties, interests or other charges related to those amounts.

## **Council Discretion**

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.

## **Application Process**

Property owners seeking tax relief must make the request to administration.

Administration will prepare a report for Council containing the information provided by the property owner. Requests for tax relief will be presented during public meetings of Council as Council's decisions on these matters have an impact on all property owners.

The property owner seeking tax relief should be prepared to attend the Council meeting when the tax relief is considered in order to summarize the reason for the request and to answer any questions Council may have in relation to the request.

## **Policy Record**

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**Date of Approval by Council:** July 17, 2018

**Resolution No:** 2018/298

**Next Review Date:** Q3, 2026

**Policy No:** SER-002-007

**Last Review Date:** September 12, 2023

**Replaces:** N/A

**Administrative Review:** Assessment and Taxation