

PROPERTY TAX PENALTY WAIVER

Date Issued: January 28, 2020 – R15-20

Mandated by: Council

Current Revision: October 08, 2024

Cross Reference:

- FIN-029-A Property Tax Penalty Waiver Procedure

Next Review: January 1, 2029

Responsibility: Chief Financial Officer

1. PURPOSE

- 1.1 This Policy aims to provide structure and guidance to Council when responding to requests for Property Tax Penalty Waivers, pursuant to the authority granted in the MGA.

2. POLICY

- 2.1 The MGA permits Council to cancel or reduce property tax penalties for a particular taxable property or business, or a class of taxable property or business, if Council considers it equitable to do so.
- 2.2 Council shall assess requests with an understanding that a cancellation, refund, reduction, or deferral of property tax penalties in any amount impacts the City's property owners, as those amounts uncollected due to a cancellation, refund, reduction, or deferral become the responsibility of the City's property owners, as a whole.
- 2.3 Council shall exercise this power in an equitable manner, while considering its municipal purposes and obligations, and the interests and welfare of the City, as a whole.
- 2.4 The MGA does not grant Council the authority to delegate the responsibility to cancel, refund, reduce or defer property tax penalties.

3. DEFINITIONS

- 3.1 *City* – means the City of Fort Saskatchewan.
- 3.2 *Council* - means the Mayor and Councillors of the City, both as a whole and individually.
- 3.3 *Designated Industrial Property* – means the same as is defined in the MGA, as amended.
- 3.4 *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.

- 3.5 *Municipal Assessor* – means a designated officer for the City, and appointed under the MGA to carry out the functions, duties, and powers of a municipal assessor.
- 3.6 *MGA* – means the *Municipal Government Act* for Alberta.
- 3.7 *Property Tax Penalty Waiver* – means a cancellation, reduction, refund, or deferral of property tax penalties, pursuant to the MGA.
- 3.8 *Tax Year* – means the year in which an assessment of the property relates.

4. GUIDING PRINCIPLES

- 4.1 In all Property Tax Penalty Waiver requests, Council shall weigh the amount and nature of the waiver requested against the rights of all City property owners, to ensure fair and equitable property taxation.
- 4.2 Council may consider requests for Property Tax Penalty Waivers which demonstrate:
- 4.2.1 an Error in Fact;
 - 4.2.2 the penalties are associated to a property which is exempt from property taxes and is under construction;
 - 4.2.3 compassionate grounds; and/or
 - 4.2.4 other matters which Council deems acceptable.
- 4.3 Property owners may not seek property tax penalty relief under this Policy for:
- 4.3.1 property taxes imposed under the MGA in relation to a Designated Industrial Property;
 - 4.3.2 property taxes or penalties unrelated to the current Tax Year; or
 - 4.3.3 amounts added to the tax roll which 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, interest, or other charges related to those amounts.
- 4.4 This Policy does not preclude Council from exercising its broad discretion to grant Property Tax Penalty Waivers pursuant to the MGA, once it has considered the requests against the impact on the City's property owners as a whole.

5. AUTHORITY / RESPONSIBILITY TO IMPLEMENT

The Chief Financial Officer is authorized to establish procedures for the implementation of this Policy, which are consistent with the governing principles.

PROPERTY TAX PENALTY WAIVER

Date Issued: January 28, 2020

Responsible: Chief Financial Officer

Current Revision: October 8, 2024

Cross Reference:

- FIN-029-C – Property Tax Penalty Waiver Policy

1. PURPOSE

- 1.1 This Procedure shall be used to carry out the necessary processes associated with the Property Tax Penalty Waiver Policy FIN-029-C.

2. DEFINITIONS

- 2.1 *Administration* – means any member of staff employed by the City.
- 2.2 *ARB* – means the Assessment Review Board, which is established by Council pursuant to the MGA to hear assessment related complaints.
- 2.3 *City* – means the City of Fort Saskatchewan.
- 2.4 *Council* - means the Mayor and Councillors of the City, both as a whole and individually.
- 2.5 *Designated Industrial Property* – means the same as is defined in the MGA.
- 2.6 *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.
- 2.7 *Immediate Family* – means a relative of an applicant for a Property Tax Penalty Waiver, including:
- a) a spouse or common-law partner of the applicant;
 - b) a child of the applicant or a child of the applicant's spouse or common-law partner; or
 - c) a parent or sibling of the applicant or a spouse of common-law partner of the applicant.
- 2.8 *Municipal Assessor* – means a designated officer for the City, and appointed under the MGA to carry out the functions, duties, and powers of a municipal assessor.
- 2.9 *MGA* – means the *Municipal Government Act* for Alberta.
- 2.10 *Property Tax Penalty* – means the penalty imposed against, and forming part of, an outstanding balance of property tax, as set out in the MGA and City's *User Fees and Charges Bylaw*.

2.11 *Property Tax Penalty Waiver* – means a cancellation, reduction, refund, or deferral, pursuant to the MGA.

2.12 *Tax Account* – means the balance owed by the property owner to the City, inclusive of property taxes and penalties.

2.13 *Tax Year* – means the year in which an assessment of the property relates.

3. PROCEDURE

3.1 Corrections requested for the current Tax Year:

3.1.1 Property assessment and taxation is an annual process. The Municipal Assessor has legislative authority to correct assessments for error, omission, or use of a wrong description in the current Tax Year.

3.1.2 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 to file a complaint with the Clerk for the ARB regarding a property assessment which they believe may contain errors, omissions, or use of a wrong description.

3.2 Requests for Property Tax Penalty Waivers may be considered for the following categories:

3.2.1 **Error in Fact:**

- a. A property owner paid penalties on additional property taxes in the current Tax Year due to an Error in Fact.

3.2.2 **Tax Exempt Properties While Under Construction:**

- a. A property is held or owned by a tax-exempt organization which, following construction that is currently occurring, shall be used for purposes that are exempt from taxation.
- b. Tax exempt organizations seeking a Property Tax Penalty Waiver should be able to demonstrate their tax exempt status, and that construction was pursued diligently and without delay from the time permits were granted.
- c. Property Tax Penalty Waivers may be provided on a pro-rated basis during the Tax Year in which the construction started.

3.2.3 **Compassionate Grounds:**

- a. A Property Tax Penalty Waiver may be provided for late payment penalties imposed where the property owner, or the property owner's representative, did not pay the property taxes by the payment due date as a result of instances occurring on, or immediately prior to, the payment due date. Such instances include but are not limited to:
 - i. a death or critical illness in the property owner's Immediate Family;
 - ii. significant property damage resulting from fire, flood, etc.;

- iii. on-going health-related issues;
- iv. out-of-country for compassionate reasons; and
- v. other instances that Council may deem appropriate.

3.3 Tax Accounts of property owners must be in good standing with the City, and have no outstanding taxes or tax penalties due to the City at the time of application.

3.4 The following process shall be followed for requesting a Property Tax Penalty Waiver:

- 3.4.1 Property owners must submit a request to Administration for a Property Tax Penalty Waiver.
- 3.4.2 Administration shall prepare a report for Council, summarizing the information provided by the property owner. Reports will only include positively worded motion(s). For example: "That Council approve the waiver of late payment penalties for tax roll XXXXXXXX in the amount of \$X.XX." Administration will also include a recommendation in the report and an explanation on the alignment between the request and the policy.
- 3.4.3 Requests will typically be presented in closed session prior to open session if the application contains information deemed sensitive by Administration.
- 3.4.4 Requests for a Property Tax Penalty Waiver shall be included on a public Council meeting agenda, so that Council may weigh the impact on all property owners.
 - a. Property owners' names, addresses, and other personal contact information shall be redacted from the information being presented to Council.
 - b. Information which may be considered harmful to personal privacy and unnecessary for Council's decision-making may be redacted.
 - c. The roll number associated with the property shall be included in the publicly available information.
- 3.4.5 The property owner seeking a Property Tax Penalty Waiver has the option to summarize their request during the Delegations portion of the Council meeting, and may be available to answer any questions on their request.