



STAFF REPORT

Title: Bylaw No. 670-FN-20 - 2020 Education Property Taxes for Non-Residential Properties Penalties Waiver Bylaw

Meeting Date: May 12, 2020

Executive Summary:

In order to alleviate the pressure on businesses due to the COVID-19 situation, on March 23, 2020 the Government of Alberta asked municipalities to provide a six (6) month deferral of the Education Property tax portion for Non-residential properties starting April 1, 2020. Municipalities have two options to defer non-residential property taxes. The first option is to defer the education property tax portion to ensure penalties and interest are not applied if taxes are paid in full on or before September 30, 2020. The second option is to defer both municipal and education property taxes the appropriate number of months to ensure the deferral benefit is equal to or greater than a six (6) month deferral of education property tax.

The Ministerial Order also included that the Non-residential portion of The City's Education requisition for the June and September payments would not be due until December 15, 2020.

Due to possible cash flow issues, the implementation being less confusing with having only on tax due date and the ease of implementation inclusive of the TIPPS program Administration is recommending option one (1) for Council's consideration.

Background:

As per Bylaw No. 014-AN-97, property taxes are due June 30th of each year and penalties are imposed as follows:

Current Balance -	2% July 1
	2% August 1
	2% September 1
	2% October 1
	2% November 1
	2% December
Arrears Balance	12% January 1

Administration has prepared Bylaw 670-FN-20 to allow the deferral of the Education Property Tax portion for Non-residential properties until September 30, 2020 as per the Government of Alberta's direction. Bylaw No. 670-FN-20 waives penalties on the



Education tax portion of the levy for the months of July, August and September when the balance will be due September 30, 2020. Each tax notice mailed will include an insert that was prepared by the Alberta Government.

Taxes will be due on June 30, 2020 as per bylaw 014-AN-97 however penalties will not be imposed on the education portion of non-residential properties on July 1, August 1 or September 1. This will allow non-residential property owners the opportunity to choose whether they wish to pay their taxes in full by June 30, 2020 or take the option of deferring the education portion.

If all non-residential property owners chose to defer the education portion of their taxes until September 30, 2020, it would equate to \$565,000.

Alternatives:

Council may consider the following options.

1. Council may give 3 readings to Bylaw No. 670-FN-20 to waive penalties for the Education tax portion for non-residential properties until September 30, 2020.
2. Council may give first reading and recommend changing the deferral to a longer period.
3. Council may give first reading and recommend changing the bylaw to Option 2 to make the entire balance for non-residential properties as July 31, 2020 as an equivalent benefit as per the Government's direction.

Recommended Action:

Administration recommends Council give 3 readings to Bylaw No. 670-FN-20, being the 2020 Education Property Taxes for Non-residential Properties Penalties Waiver Bylaw.

Budget Implications (Yes or No):

No

Submitted by:

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