

Topic: Request for Cancellation of Penalties on Roll Number 165003

Introduction:

To advise Council of the matter requested by the landowner for Council to consider cancellation of tax penalties.

Facts (Background Information):

- The landowner's tax roll, Roll 165003 is in an area that is zoned as Country Residential.
- In 2015, a Farmland Declaration was sent to landowner, but was never returned.
- In September 2018, an assessor sent a Farmland Declaration by email and requested an interior inspection of the shop on the property.
 - The Farmland Declaration was not returned.
- In October 2018, the property was inspected by two assessors.
- The outcome of the inspection concluded a 3 acre regulated parcel, with the shop (improvement) being assessed as a residential building and the remainder of parcel being assessed at farmland regulated rates, as the portion is being leased by the neighbor and baled.
 - This reflects how other equivalent parcels in the County are assessed.
- There was no indication that the shop sheltered any farm equipment.
 - There was shelving, a harrow with tags for his garden tractor under a shelf and a small SUV being repaired.
- In May 2019, the landowner received 2019 Property Assessment and Taxation notice.
- Subsequently, in May 2019, the landowner appealed 2019 assessment.
- The landowner was advised on more than one occasion to pay taxes to avoid penalties.
 - Section 479 (Obligation to pay) of the Municipal Government Act that states: *"Making a compliant under this Part does not relieve any person from the obligation to pay any taxes owing on any property or business or penalties imposed for late payment of taxes."*
 - This information is also on the back of the Property Assessment and Taxation notice.
- In December 2019, the appeal board ruled in favor of the landowner by a 2 to 1 decision.

The Local Assessment Review Board is comprised of public members and is not a court of law. While these public members are trained and obtain certificates from the Municipal Government Board (MGB), it does not necessarily make these members experts in the Legislation and Regulations as set out by the Municipal Government Act. This leads to municipalities dealing with some decisions by the Board that conflict with the Municipal Government Act. These decisions can be appealed to the Court of Queen's Bench but can be cost prohibitive to smaller municipalities. As each year's assessment is its own, the assessment can be changed to reflect the property's characteristics for that year as has been done in this case.

Analysis:

- The 2019 Property Assessment and Taxation notice mailed in May 2019 for this property reflected a fair and equitable assessment comparable to other properties in Parkland County for the 2018 assessment year.
- Residential and Non-Residential (Industrial) appeals are treated in the same manner. Past appeals by both Residential and Non-Residential properties saw the property owners paying their property taxes by the due date to avoid penalties. Parkland County issued refunds to the owners if the property owner's appeal was upheld.
- Property taxes are a major source of income for municipalities. Paying taxes on time is critical to the ongoing financial responsibilities of a municipality which is why Section 479 (Obligation to pay taxes) exists.

Alternatives:

1. Cancel penalties as requested by the landowner.
 - Administration does not support this alternative as Parkland County staff followed the Municipal Government Act and legislation. Granting this request could set precedence for future appeals that does not align with the Municipal Government Act.

Conclusion/Summary:

In conclusion, Administration supports the recommendation for Council to deny the request from the landowner to cancel tax penalties that accrued on Roll Number 1650003.

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