



## **STAFF REPORT**

**TO:** Council  
**FROM:** Trudy Payne, Chief Administrative Officer  
**DATE:** May 10, 2021  
**SUBJECT:** **Policy for Reduction of Taxes Where Destruction**

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### **ORIGIN:**

A resident of the Municipality of the District of Shelburne lost their home to fire in March and is wondering if they will need to pay the full tax bill by June 30<sup>th</sup> or will they be able to receive a reduction in taxes.

### **RECOMMENDATION**

It is being recommended that the Municipality of the District of Shelburne direct staff to develop a policy for the reduction of taxes where the property has been or been partially destroyed by fire, storm or otherwise as per section 69A (1) of the Municipal Government Act.

### **BACKGROUND:**

A resident of the Municipality has lost their home due to fire in March of 2021 and the tax bill was sent out in April with the assessed value that included the home. PVSC will not change the value until next fiscal, as this is their policy. Unless the Municipality is prepared to reduce the taxes, the resident will be expected to pay the taxes in full this year and would see the adjusted taxes next year. In this case, the property owner has obtained a demolition permit.

Section 69A (1) of the MGA states "The council may, by policy, provide for the reduction, to the extent that the council considers appropriate, of the taxes payable with respect to a property if a building situate on the property has been destroyed or partially destroyed by fire, storm or otherwise and the assessment of the property does not reflect that the building has been destroyed or partially destroyed, and provide for the reimbursement of any overpayment resulting from the reduction. (2) A policy adopted pursuant to subsection (1) may be made retroactive to April 1, 1999. (3) Upon a request by the clerk, the Director of Assessment shall value the property for the purpose of a policy adopted pursuant to subsection (1) but, for greater certainty, shall not change the assessment of the property except in accordance with the Assessment Act. 2001, c. 14, s. 2."

Due to the retroactive clause Council could decide to reduce this resident's taxes before the adoption of a policy, however, a policy would need to be approved to make this decision binding.

Staff did reach out via the AMA listserv and have received a number of policies from other municipal units that address this matter. The objective of these policies is to grant temporary tax relief to owners of property that has been destroyed or partially destroyed after the assessment roll has been filed. Most policies include an application that the resident must fill out listing the civic address of the property, assessment account number, date the property was damaged, a description of the damage, and a place for their signature to state the information, to their knowledge, is correct and true.

The procedure staff would follow is to confirm facts with the local fire department or EMO and then make a request to PVSC to value the property and then the treasurer would make the adjustment based on the policy adopted by Council.

### **ALTERNATIVES**

In this case Council could direct staff to confirm the details of this property destroyed by fire and seek out a new value from PVSC and bring it back to Council.

Another option is for Council to pass a policy and then investigate this case and apply the approved policy to this property.

Council could also choose not to reduce taxes this year as the property owner would see the adjustment next year.

### **Conclusion**

Unfortunately, there will be times when property is partially or fully damaged due to a fire, storm or otherwise and these events may occur after the assessment role has been filed. A policy would