



## FINANCIAL SERVICES

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**TO:** Council  
**DATE:** October 27, 2020 **DIVISION:** All  
**FILE:** 0785 **APPLICATION:** N/A  
**SUBJECT:** Property Tax Agreement Request – Tax Rolls 38115040 and 00010565

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### POLICY DIRECTION:

Municipal Government Act (MGA) – 347 provides Council with the ability to defer the collection of taxes with or without conditions.

### EXECUTIVE SUMMARY:

Administration received a request from a non-residential rate payer, Lynx Energy, to pay an initial property tax installment payment of 7.5%, and to pay the remaining 2020 balance equally over 24 months. As the request was sent in late August, both tax accounts have incurred a penalty for non-payment.

In the request, Lynx Energy cites the “non-residential property tax deferral program” that was implemented by the Province. This program was designed to provide relief to non-residential property tax payers. Rocky View County implemented this program and deferred the tax due date from June 30<sup>th</sup> to August 31<sup>st</sup>.

While the County has deferred property taxes through agreement in the past, these agreements have been limited to situations where properties are part of the tax recovery process. This request is unique, and as such, Administration is recommending a compromise whereby Council could consider cancelling the September 1<sup>st</sup> penalty; this would give Lynx Energy an additional 4 months to pay their outstanding balance without further penalty until January 1, 2021, at which time the additional 12% penalty would be added.

### ADMINISTRATION RECOMMENDATION:

Administration recommends approval in accordance with Option #1.

### BACKGROUND:

A request letter dated August 26, 2020, was received from a non-residential shallow gas producer, Lynx Energy, asking the County to accept an initial payment of 7.5% of the current property taxes outstanding, with the remainder paid equally over a 24 month period. The 7.5% installment was paid for both rolls on September 21, 2020, which triggered a late tax payment penalty on both property roll numbers. A summary is provided below:

	2020 Tax Levy	Penalty	7.5% installment	Current Balance Owing
Roll 38115040	\$ 25,394.14	\$ 3,047.30	\$ 1,904.56	\$ 26,536.88
Roll 00010565	\$247,109.54	\$29,653.15	\$18,564.74	\$258,197.95
Totals	\$272,503.68	\$32,700.45	\$20,469.30	\$284,734.83



## ROCKY VIEW COUNTY

Under section 347 of the MGA, Council has the ability to defer the payment of taxes. The County has entered into tax agreements in the past; however, these agreements have generally been reserved for properties that are part of the tax recovery process. The tax accounts included with this request are not part of that process. When considering tax deferral, the County has to consider cash flow and its ability to meet its own obligations; the County has significant expenditures both internally to continue operating, and externally through provincial and local requisitions, which we are obligated to continue paying.

As presented to Council on April 28, 2020, (Tax Penalty deferral), Rocky View County met its requirements from the Provincial Government to defer 6 months of property tax for non-residential rate payers by moving the penalty date to September 1, 2020. This allowed non-residential rate payers an opportunity to preserve working cash flow.

Administration canvassed 29 surrounding municipalities of which 25 have not offered any arrangements to the non-residential rate payers.

### **BUDGET IMPLICATIONS:**

Should Council approve a penalty cancellation, there would be a reduction in revenue of \$32,700.45.

### **STRATEGIC OBJECTIVES:**

One of Council's strategic themes is Financial Health. In order to maintain Financial Health, the County needs to balance the needs of all stakeholders. The County has fulfilled its obligations under the Provincial "non-residential tax deferral program", so any further deferrals need to be considered very carefully.

### **OPTIONS:**

Option #1: THAT Administration be directed to cancel the 2020 late tax payment penalties in the amount of \$32,700.45 for tax roll numbers 38115040 and 00010565.

Option #2 THAT alternative direction be provided.

Respectfully submitted,

Concurrence,

"Kent Robinson"

"Al Hoggan"

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Executive Director  
Corporate Services

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Chief Administrative Officer

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### **ATTACHMENTS:**

ATTACHMENT 'A': Request Letter