

Councillor Request for Information

Included on Agenda

(Submitted to Municipal Clerk's Office
by Noon Thursday)

Added Item

(Submitted to Municipal Clerk's Office
by Noon Monday)

Date of Council Meeting: June 21, 2005

Subject: Destruction of Buildings by Fire, Storm or Otherwise

Request:

I would like to add "Destruction of Buildings by Fire, Storm or Otherwise" to the Regional Council Agenda on June 21, 2005.

Reason:

Bill 12, introduced by the Legislature in the Spring of 2001, amended the MGA and created a new Section 69A. This section allows a Municipal Council, by policy, to provide for a reduction of taxes payable with respect to a property if a building situate on the property has been destroyed or partially been destroyed by fire, storm or otherwise and the Council determined that the assessment of the property no longer reflects that the building has been destroyed or partially destroyed. It also provides for a reimbursement of any overpayment of taxes resulting from the reduction. The ability of Council to make this policy was made retroactive to April 1st, 1999.

I would like a staff report outlining such a policy and ask that Regional Council approve the policy to allow for tax relief to property owners who have suffered from destruction of buildings by fire, storm or otherwise.

I would like this response as:

- Email to Mayor, Council and Municipal Clerk's Office
 Memo to Mayor, Council and Municipal Clerk's Office
 Information Report to Community Council Regional Council
 Recommendation Report to Community Council Regional Council

Steve Streach

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Councillor (Name)

District (Number)



RE: Destruction of Buildings by Fire, Storm or Otherwise *agreed*

Bill 12 was introduced in the Legislature in the Spring of 2001 and was given Royal Assent on June 1st, 2001. This Bill amended the *Municipal Government Act (MGA)* and created a new Section 69A. This section allows a Municipal Council, by policy, to provide for a reduction of taxes payable with respect to a property if a building situated on the property has been destroyed or partially been destroyed by fire, storm or otherwise and the Council determined that the assessment of the property no longer reflects that the building has been destroyed or partially destroyed. It also provides for a reimbursement of any overpayment of taxes resulting from the reduction.

The ability of Council to make this policy was made retroactive to April 1st, 1999.

Should a council implement such a policy and there is a request for a reduction in taxes because of a total or partial destruction of a building by fire, storm or otherwise, the Clerk of the Municipality can ask the Director of Assessment to value the property for purposes of their policy adopted to grant reimbursement or reduction in property taxes.

The Director of Assessment would value the property based on its current value taking into account the destruction or partial destruction of buildings situated on the property. The value for this purpose does not mean that the Director of Assessment would change the assessment of the property for the filed roll except in accordance with provisions of the *Assessment Act* where the property may be under appeal or the Director is making an adjustment under Section 57 of the *Assessment Act*. The purpose of this valuation by the Director of Assessment at the request of the Clerk of the Municipal Unit is to help the Municipal Unit determine what the remainder value is after the destruction or partial destruction in order to enable them to calculate a tax reduction or tax reimbursement to reflect the destruction or partial destruction of the building.

I have noted that this amendment is retroactive to April 1st, 1999 and the Director of Assessment could be requested by a Municipal Unit to value any property destroyed or partially destroyed by storm, fire or otherwise back to, and effective from, April 1st, 1999.

The legislation provides for destruction or partial destruction by fire, storm or otherwise. "Otherwise" is not defined in the legislation and "otherwise" will be determined by Municipal policy as passed by individual Councils of each individual Municipal Unit.

RRD*dmr