



RPT 20-259

TITLE: 2020 Care Home Abatements

DATE: June 17, 2020

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATION:

1. That the municipal property tax abatement for fifteen (15) Personal Care Homes in the amount of \$36,016.43, be approved.
2. That the education property tax abatement portion for fifteen (15) Personal Care Homes be based on approval from the Saskatchewan Ministry of Government Relations, if required, and the Prince Albert Catholic Separate School Division.

TOPIC & PURPOSE:

To provide the recommendation to abate a portion of the municipal tax levy for the businesses that operate as Care Homes. The abatement is the difference between the equivalent residential and commercial municipal tax levy.

For 2020, the abatement will provide businesses that operate as Care Homes a lower municipal tax levy to offset the provincial percentage of value from Commercial at 100% to Residential at 80%. The total municipal amount for the 15 Care Homes for 2020 is \$36,016.43.

BACKGROUND:

In 2017, it was discovered that businesses operating as Personal Care Homes in Prince Albert were taxed as residential property and were moved to the Commercial Class. The Commercial property classification has been supported through the appeal process at the Board of

Revision for the City of Prince Albert and at the Saskatchewan Municipal Board within the province.

In 2018, a new sub-class was established and the municipal tax levy was set to the equivalent to that of the residential class municipal tax levy. Base taxes were also adjusted in order to accomplish the goal of having these businesses pay the equivalent to residential property. The proposed abatement is to offset the difference in the provincial percentage of value between commercial at 100% and residential at 80%, which was also approved for businesses that operate as Care Homes in 2018.

PROPOSED APPROACH AND RATIONALE:

The abatement for the 15 businesses operating as Care Homes was determined by taking the current calculated municipal levy which uses the commercial percentage of value of 100%, and then recalculating using the residential percentage of value of 80%. The abatement is the calculated difference of \$36,016.43.

The amount does not include Public School or Separate School property tax. Since the City of Prince Albert does not have the authority to abate school taxes, the amounts to offset the provincial percentage of value from Commercial at 100% to Residential at 80% would require approval from the school divisions. A request will be provided for approval and then to the property owner upon approval being received.

CONSULTATIONS:

In 2019, the Care Home Tax Tool Options report (Report 19-206) was brought forward to the Executive Committee meeting on May 27, 2019. At that meeting it was recommended that Care Homes receive an abatement for the 20% different between the commercial and residential rates based on the percentage of value.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

Financial Services Department will send a letter to all the Care Home property owners advising them of the abatement amount. Correspondence will be sent to School Divisions for approval on education taxes.

FINANCIAL IMPLICATIONS:

These properties were included in the 2020 budgeted amount for abatements based on the previous years' approval amounts.

OTHER CONSIDERATIONS/IMPLICATIONS:

There are no policy or privacy implications, official community plan or options to recommendation.

STRATEGIC PLAN:

Fiscal Managements and Accountability.

PUBLIC NOTICE:

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

PRESENTATION: NONE

ATTACHMENTS:

1. 2020 Res vs. Comm Care Home Totals

Written by: Milan Walters, Chief Clerk

Approved by: Director of Financial Services & City Manager