



City of Prince Albert

RPT 2024-198

TITLE: 2024 Care Home Abatements

DATE: June 20, 2024

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATION:

1. That the municipal property tax abatement for twelve (12) Personal Care Homes in the amount of \$14,594.21, be approved.
2. That the education property tax abatement portion for twelve (12) Personal Care Homes be based on approval from the Saskatchewan Ministry of Government Relations, if required, and the Prince Albert Catholic Separate School Division.

EXECUTIVE SUMMARY:

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 residential and commercial municipal tax levy. This abatement will provide businesses that operate as Care Homes a lower municipal tax levy to offset the provincial percentage of value from Commercial at 85% versus Residential at 80%.

BACKGROUND:

In 2017, businesses operating as Personal Care Homes in Prince Albert that were previously taxed as residential property 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, the City established a new sub-class for Care Homes and the municipal tax levy was set to the equivalent of the Residential class municipal tax levy. Base taxes were also adjusted

to the equivalent to residential property. The proposed abatement is to offset the difference in the provincial percentage of value between commercial and residential. At that time the percentage of value was 100% for commercial and 80% for residential.

In 2021, the Province of Saskatchewan changed the percentage of value for Commercial property from 100% taxable to 85% taxable.

PROPOSED APPROACH AND RATIONALE:

The abatement for the twelve (12) businesses operating as Care Homes was determined by taking the current calculated municipal levy, which uses the commercial percentage of value of 85%, and then recalculating using the residential percentage of value of 80%. The abatement is the calculated difference of \$14,594.21.

The abatement 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 85% to Residential at 80% would require approval from the school divisions. A request will be submitted for approval and the property owner will be notified 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 percentage difference between the commercial and residential rates based on the percentage of value.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

The 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.

BUDGET/FINANCIAL IMPLICATIONS:

The abatement is funded by the approved 2024 budget of \$100,000 for abatements. The 2024 property tax abatement for 12 Care Homes is \$14,594.21.

OTHER CONSIDERATIONS/IMPLICATIONS:

There are no policy, privacy implications, strategic plan or official community plan.

OPTIONS TO RECOMMENDATION:

An alternative to the recommendation would be for the abatement to be offered through an application process. This process would be consistent with other tax relief provided by the City such as Policy 51, *The Policy and Procedure for Application for Tax Relief*. Policy 51 provides relief based on the social benefit an organization provides and requires such an organization to apply to the City and submit information supporting their request. This information includes items such as governance structure, organization objectives, financial statements, statistics illustrating the benefits to the community, etc. The Care homes would likely not qualify under Policy 51 as they do not meet all of the requirements. Specifically, not all Care Homes are structured as non-profit or equivalent entities.

Requiring the Care Home abatement to go through an approval process would assist in understanding what financial strains exist to the businesses in order to further support the tax relief provided. However, such an approval process would require additional administrative time to create a policy and review applications.

STRATEGIC PLAN:

The abatement for these care homes promotes an equitable taxation structure to allow for sustainability.

PUBLIC NOTICE:

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

ATTACHMENTS:

2024 Res vs. Comm Care Home Totals

Written by: Milan Walters, Chief Clerk

Approved by: Senior Accounting Manager, Director of Financial Services & City Manager