



STAFF REPORT

For: Mayor and Council
Prepared by: John France Acting CAO
Subject: Request for a Reduction in Taxes
Meeting date: October 6, 2020

BACKGROUND

We have received a request to reduce taxes on the Salmon River Inn by the new owner for 2020. Please see the attached letter for further details.

DISCUSSION

The Salmon River Inn paid the following taxes in 2020:

General/Municipal	\$2,558
Water	\$6,708
Sewer	\$5,220

Mr. Lal has advised that due to Covid, the Inn will be closed for two years and therefore a reduction of taxes should be considered. General/Municipal taxes are now set for 2020 and no rebate of taxes is possible. Furthermore, these taxes are necessary to fund municipal services which regardless of Inn operations, must continue to be funded. And finally, if the Inn is not in use, the assessment (of the Inn) will probably drop and should result in a lower tax bill. Council should note the Community Charter prohibits any form of assistance to business (note exceptions).

25 (1)Unless expressly authorized under this or another Act, a council must not provide a grant, benefit, advantage or other form of assistance to a business, including
(a)any form of assistance referred to in section 24 (1) [publication of intention to provide certain kinds of assistance], or
(b)an exemption from a tax or fee.

For water charges, Council may consider a different rate for the type of service, however the bylaw specifically prohibits exemptions for industrial and commercial connections

For Sewer, Council may consider a different rate for the type of service, however the bylaw has no provision for an exemption.

Council could amend the applied rates to provide some relief. Any reduction given would have to be made up by increasing rates for other service types.

STAFF RECOMMENDATIONS

Recommended Resolutions:

THAT Council receive the Request for a Reduction in Taxes,
AND THAT Staff be given direction on a response to Mr. Lal

Respectfully submitted,

John France Acting CAO`