

SENIORS HOUSING SOCIETY OF ALBERTA

Position Paper for Property Tax Exemption
for
Not for Profit Seniors' Supportive Living and
Designated Assisted Living Buildings

Background Information for stakeholders and Members of the Legislative Assembly to support the following recommendations:

1. Reinstate Property Tax exemption for not for profit seniors' facilities in the Municipal Government Act;
2. Exempt buildings licensed under the Social Care Facilities Act/ Supportive Living Accommodation Licensing Act -- nursing homes and publicly owned lodges are property tax exempt; and/or
3. Provide not for profit seniors' facilities with a nominal annual grant, thereby providing for exemption under Community Organization Property Tax Exemption Regulation (COPTER).

Seniors Housing Society of Alberta Property Tax Issue Timeline

Property Tax Issue

The Seniors Housing Society of Alberta (SHSA) is requesting the reinstatement of the property tax exemption in the Municipal Government Act for not for profit facilities. Property tax exemption will provide financial relief to operators of supportive living facilities who are being required, with the limited resources available to them, to enhance care and other supportive services to accommodate seniors' care needs as a result of the lack of long-term care beds. Consequently, seniors who require increased services due to their failing health have no where else to go but to supportive living facilities. This, in addition to required compliance with government regulated standards continues to be a financial burden that Operators must carry.

-- Prior to 1995

Private, not for profit seniors housing facilities were exempt from property tax under section 24(1)(x) of the Municipal Taxation Act. Because of this, numerous not for profit organizations began constructing over 50 buildings with the goal to produce thousands of new affordable seniors' housing units.

--- 1995

Private, not for profit seniors housing facilities become taxable under the revised Municipal Government Act.

Representatives from not for profit organizations met with Alberta Government officials, including then Minister of Municipal Affairs, Tom Thurber, to discuss the removal of property tax exemption for seniors facilities.

--- 1997 { Seniors Housing Society of Alberta (SHSA) was formed at the then Minister of Municipal Affairs, Iris Evans' request for the group to incorporate, in order to give the Alberta government a formal organization to deal with.

1997 to Present { The Municipal Government Act provides an automatic exemption from property taxes under the Community Organization Property Tax Exemption Regulation (COPTER) for facilities receiving grants from the Alberta Government.

--- 2010 { Seniors Housing Society of Alberta
SHSA has 24 member organizations representing approximately 8,000 seniors' supportive living units. The membership is comprised of public, not for profit faith based organizations (most of whom provide affordable supportive living for low to mid income seniors) and private for profit companies.

Member organizations work in collaboration with Alberta Health Services to provide continuing care services to seniors and persons with disabilities through site-based contracts with the following types of operated facilities:

- Residential Apartments
- Lodges
- Supportive Living Facilities
- Designated Assisted Living Facilities

Property Tax Implications to Continuing Care

		Continuing Care Facilities			
Facility Living e.g. Nursing Home	Publicly Funded Lodges	Residential Living Level 1	Assisted Living Level 3	Enhanced Assisted Living Level 4	
<input checked="" type="checkbox"/>	YES	Is the building property tax exempt?			<input checked="" type="checkbox"/> NO
		Is the building owned and operated by a not for profit organization?			<input checked="" type="checkbox"/> YES
		Does the building provide affordable accommodation for low to mid income seniors (many of whom are frail and live on fixed incomes) or persons with disabilities?			<input checked="" type="checkbox"/> YES
		Does the operator provide supportive living to seniors such as: meals, laundry, housekeeping, and home care or designated living services under contract with Alberta Health Services so that seniors can age in place?			<input checked="" type="checkbox"/> YES

Where will the not for profit organizations acquire funds to pay for property taxes if property tax exemptions are not provided and Grants in Place of Taxes (GIPOT) are eliminated?

a) Government of Alberta	or	b) Increase accommodation fees for low to mid income residents of not for profit seniors' supportive living facilities	or	c) Decrease social programs offered to low to mid income residents of not for profit seniors' supportive living facilities.
<p>Consequences to the Continuing Care System:</p> <ol style="list-style-type: none"> 1. Buildings will not be affordable for low income seniors. 2. Not for profit organizations will not be able to meet the needs of seniors in the community 3. Fewer supportive living spaces will be built. 				

Seniors Housing Society of Alberta
Housing Types and Property Tax Status

Housing Type	Description	Property Tax Status
Home Living	<p>Seniors live independently in their own house, apartment, or condominium with minimal support services.</p> <p>Independence is maintained with the support of Home Care services or purchased services from a private agency.</p>	Taxable
<p>Assisted Living and Supportive Housing</p> <p>Licensed under the Supportive Living Accommodation Licensing Act</p>	<p>Seniors are provided with supportive housing services such as housekeeping, laundry, meals, recreational activities, and home care in the following settings:</p> <ul style="list-style-type: none"> - Group Homes - Assisted Living - Designated Assisted Living (provides 24 hour supervision by LPN) - Apartments, condominiums with hospitality and/or health services <p>Commonly, operators have made formal arrangements with Alberta Health Services to coordinate or provide health and personal care services to their residents.</p>	Taxable
<p>Publicly Funded Lodges and Enhanced Lodges</p> <p>Licensed under the Supportive Living Accommodation Licensing Act</p>	<p>Seniors live in single or double bed/sitting rooms and are provided with meals, housekeeping, linen/laundry and recreational services. Generally in urban settings, some lodges do not have health professionals on staff and lodge staff are not trained to care for residents with health or complex personal care needs. In rural settings, lodge staff are trained and provide personal care to residents.</p> <p>All lodge residents who are assessed by the health system as requiring health care can receive these services through the Home Care Program from Alberta Health Services in their own home.</p>	Exempt
Long-Term Care Facilities	<p>Seniors live with 24 hour RN supervision to accommodate on-going complex health and safety needs in the following settings:</p> <ul style="list-style-type: none"> - Nursing Homes - Auxiliary Hospitals 	Exempt

Seniors Housing Society of Alberta
 Financial vs. Social Implications
 Appendix

Background

- Prior to 1995, private, not for profit seniors housing facilities were exempt from property taxes under section 24(1)(x) of the Municipal Taxation Act.
- In 1995, these facilities became taxable under the revised Municipal Government Act.
- The Grants in Place of Taxes (GIPOT) program has assisted these organizations until today, however, the program will be eliminated.
- The Municipal Government Act provides an automatic exemption under Community Organization Property Tax Exemption Regulation (COPTER) for facilities receiving grants from the provincial government.

Financial Implications for Government, Operators, and Residents	Social Implications for Seniors and Community
<ul style="list-style-type: none"> • Albertans save millions of tax dollars every year that would otherwise go towards health spending as a result of not for profit organizations alleviating pressure on nursing home and auxiliary hospital beds. 	<ul style="list-style-type: none"> • Untrained family members with limited knowledge of the health system will be required to supervise and house aging senior relatives who may not be able to afford high accommodation fees. Untrained family members will rely heavily on emergency service workers to compensate for the seniors' health needs.
<ul style="list-style-type: none"> • Tax savings from property tax exemptions were used to provide badly needed housing and services to sick and frail seniors at no cost to the taxpayer by many of the pre-1995 seniors' housing facilities that arose directly or indirectly from churches or service clubs. 	<ul style="list-style-type: none"> • Seniors who can no longer remain in their own homes due to increased health, safety, or accommodation needs will need to rely on family members to supervise and house them. Seniors who are unable to find such support and are unable to afford high accommodation and medical fees may be required to depend on temporary housing such as shelters, etc. • Property tax exemption will allow not for profit organizations to continue providing affordable supportive housing to the 75% of Alberta seniors who are low to mid income and allow them to stay in their communities.
<ul style="list-style-type: none"> • Various ministries and/or authorities require not for profit organizations to add services to meet care, safety and accommodation standards for residents who are aging in place in these facilities. Added services require added resources that will need to come from increased accommodation fees or decreased programs available for seniors. 	

Seniors Housing Society of Alberta
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<ul style="list-style-type: none">• Alberta Health Services controls what can be charged for accommodation fees for DAL, which has been increased to equal the private room LTC rate. However, LTC does not pay property tax – DAL and other Supportive Living facilities do, creating financial inequity.	<ul style="list-style-type: none">• Not for profit organizations will be able to leverage the relief from operating pressures imposed by property tax many times over as they assist seniors in maintaining optimum independence with the support of health and other services.• Exempting seniors' facilities providing DAL/EDAL services will provide an incentive for operators to develop the needed 10,000 additional spaces over the next 10 years.
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Recommendations:

1. Reinstate Property Tax exemption for not for profit seniors' facilities in the Municipal Government Act;
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3. Provide not for profit seniors' facilities with a nominal annual grant, thereby providing for exemption under Community Organization Property Tax Exemption Regulation (COPTER).