

2018 Tax Rate Bylaw

Presenters: Philip Schofield, Regional Assessor

Meeting Date: May 8, 2018



Assessment Update

2018 Assessment Base

- Increase of taxable assessment base of \$3.53 B
- Industrial projects with a planned completion date in 2018 were completed in 2017

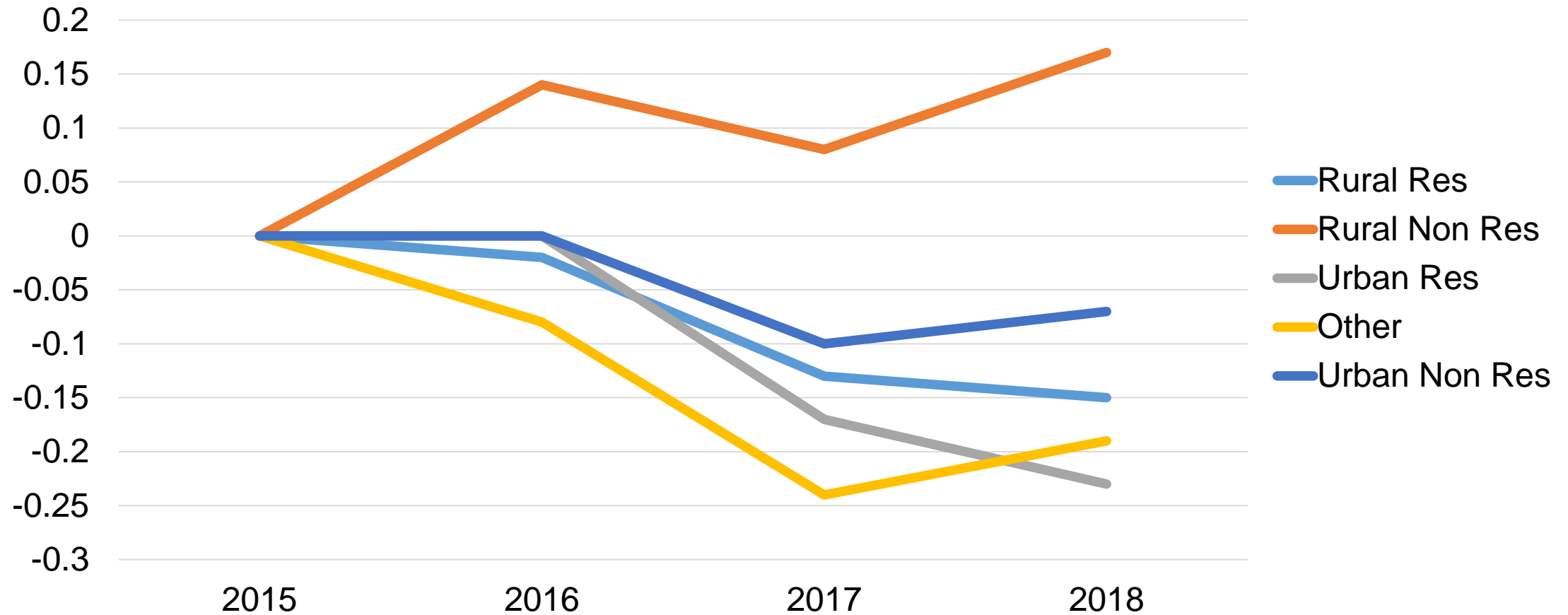
2017 Assessment for 2018 Tax Year

- Market value as of July 1, 2017 (legislated date)
- Physical condition date of December 31, 2017 (legislated date)
- Assessment notices mailed February 21, 2018
- Customer review period is February 28 – May 1, 2018
- Heavy Industrial Properties valued by the Municipality for the Province of Alberta

Tax Class Assessment Changes from 2017

Tax Class	Tax Change from 2017 to 2018
Urban Residential	-6% decrease
Other Residential (multi-family)	5% increase
Urban Non-Residential	3% increase
Rural Residential	-2% decrease
Rural Non-Residential	9% increase

Net % Change in Assessment Class 2015 - 2018



Sector Market Changes – Residential

Sector	Change in assessment 2017 - 2019
Urban single family	-7% decrease
Urban vacant residential lots	-55% decrease
Condo	-8% decrease
Rural single family residence	-4% decrease
Rural vacant residential lots	-7% decrease

Sector Market Changes – Non-Residential/Other

Sector	Change in assessment 2017 - 2019
Large single tenant retail	-6% decrease
Retail strip mall	-2% decrease
Grocery store	-1% decrease
Hotel/Motel	-15% decrease
Warehouse	-9% decrease
Apartment	9% increase

Property Tax Strategy

Fiscal Highlights

- 2017 property taxes billed - \$737M (\$23 M appeal allowance)
- 2018 property taxes to be billed - \$679M (\$6.8M appeal allowance)
- Reduction in required property taxes is due to budget reductions, growth in the rural non-residential tax class and reduced appeal loss allowance
- Tax ratio must not exceed last years tax rate ratio (Sec 358 MGA Act)

Tax Class Revenue

	2017 % of Total Property Tax Revenue	2018 % of Total Property Tax Revenue
Rural Residential	0.07%	0.08%
Rural Non-Residential	94.99%	94.49%
Urban Residential	2.95%	2.86%
Urban Other	0.55%	0.60%
Urban Non-Residential	1.86%	1.97%
Total	100%	100%

Municipal Tax Rates 2014 – 2017

	2014	2015	2016	2017
Urban Residential	0.0018063	0.0018110	0.0017748	0.0017748
Other Residential	0.0040540	0.0049793	0.0048797	0.0048797
Urban Non-Residential	0.0040154	0.0038024	0.0037264	0.0037264
Rural Residential	0.0009628	0.0009696	0.0009502	0.0009502
Rural Non-Residential	0.0180197	0.0177470	0.0173921	0.0170443

Education Funding

- Education funding comprises the largest part of a residential tax bill
 - Urban 60%
 - Rural 73%
- Municipality acts as “tax collector” for the Provincial Education Requisition
- Machinery and Equipment assessment is exempt from education tax

2018 Education Requisition

Tax rates for Separate & Public School	2017 \$80 M	2018 \$75.9 M	% Change
Residential	0.0029267	0.0028851	-1.42%
Non-Residential	0.0038369	0.0036404	-5.12%

Designated Industrial Property Requisition

- New for 2018, cost recovery provincial requisition for the valuation of these properties
- Requisition applied only to industrial properties identified by the Provincial Assessor
- Municipality acts as a “tax collector” for the Designated Industrial Property requisition

Administrative Recommendations

Municipal Tax Calculation

Assessment x Municipal Tax Rate = Municipal Tax Levy

Administrative Recommendations

	2017	2018	2018 (proposed)
Urban Residential	0.0017748	0.0018280	3% increase in tax rate
Other Residential	0.0048797	0.0050261	3% increase in tax rate
Urban Non-Residential	0.0037264	0.0038382	3% increase in tax rate
Rural Residential	0.0009502	0.0009977	5% increase in tax rate
Rural Non-Residential	0.0170443	0.0142677	-16.29% decrease in tax rate

Tax Ratio (formerly Bill 21,8)

- MGA Act s. 358(1)(c)

“tax ratio”, in respect of a municipality, means the ratio of the highest non-residential tax rate set out in the municipality’s property tax bylaw for a year to the lowest residential tax rate set out in the municipality’s property tax bylaw for the same year

- In the Municipality, the highest non-residential tax rate is the Rural Non-Residential tax rate
- In the Municipality, the lowest residential tax rate is the Rural Residential tax rate

Tax Ratio Calculation 2018 (proposed)

• 2017 Tax Ratio 17.94:1

• 2018 Proposed Tax Ratio

–Rural Residential Tax Rate 0.0009977

–Rural Non-Residential Tax Rate 0.0142677

2018 Proposed Tax Ratio $\frac{0.0142677}{0.0009977} = \mathbf{14.30:1}$

Urban Residential



	2017	2018	Incr. (Decr.)
Assessed Value	\$580,000	\$540,000	(7%)
Municipal Tax Rate	x 0.0017748	x 0.0018280	
Municipal Tax	\$1,029	\$987	(4%)
Education Tax	\$1,697	\$1,558	(7%)
Total Taxes	\$2,726	\$2,545	(6%)

Rural Residential



	2017	2018	Incr. (Decr.)
Assessed Value	\$400,000	\$384,000	(4%)
Municipal Tax Rate	x 0.0009502	x 0.0009977	
Municipal Tax	\$380	\$383	0.01%
Education Tax	\$1,170	\$1,108	(5%)
Total Taxes	\$1,550	\$1,491	(4%)

Other Residential



	2017	2018	Incr. (Decr.)
Assessed Value	\$7,000,000	\$7,450,000	6.4%
Municipal Tax Rate	x 0.0048797	x 0.0050261	
Municipal Tax	\$34,158	\$37,444	9.6%
Education Tax	\$20,487	\$21,940	7%
Total Taxes	\$54,645	\$59,384	8.7%

Rural Non-Residential Machinery & Equipment



	2017	2018	Incr. (Decr.)
Assessed Value	\$500,000,000	\$500,000,000	
Municipal Tax Rate	x 0.0170443	x 0.0142677	
Municipal Tax	\$8,522,150	\$7,133,850	
Education Tax	N/A	N/A	
Total Taxes	\$8,522,150	\$7,133,850	(16.29%)

Rural Non-Residential (Commercial)



	2017	2018	Incr. (Decr.)
Assessed Value	\$300,000	\$300,000	(0%)
Municipal Tax Rate	x 0.0170443	x 0.0142677	
Municipal Tax	\$5,113	\$4,280	(16.29%)
Education Tax	\$1,151	\$1,092	(5.1%)
Total Taxes	\$6,264	\$5,372	(14.2%)

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